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Enabling poor rural people  
to overcome poverty

## IFAD Medium-term Plan 2010-2012

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For: **Information**

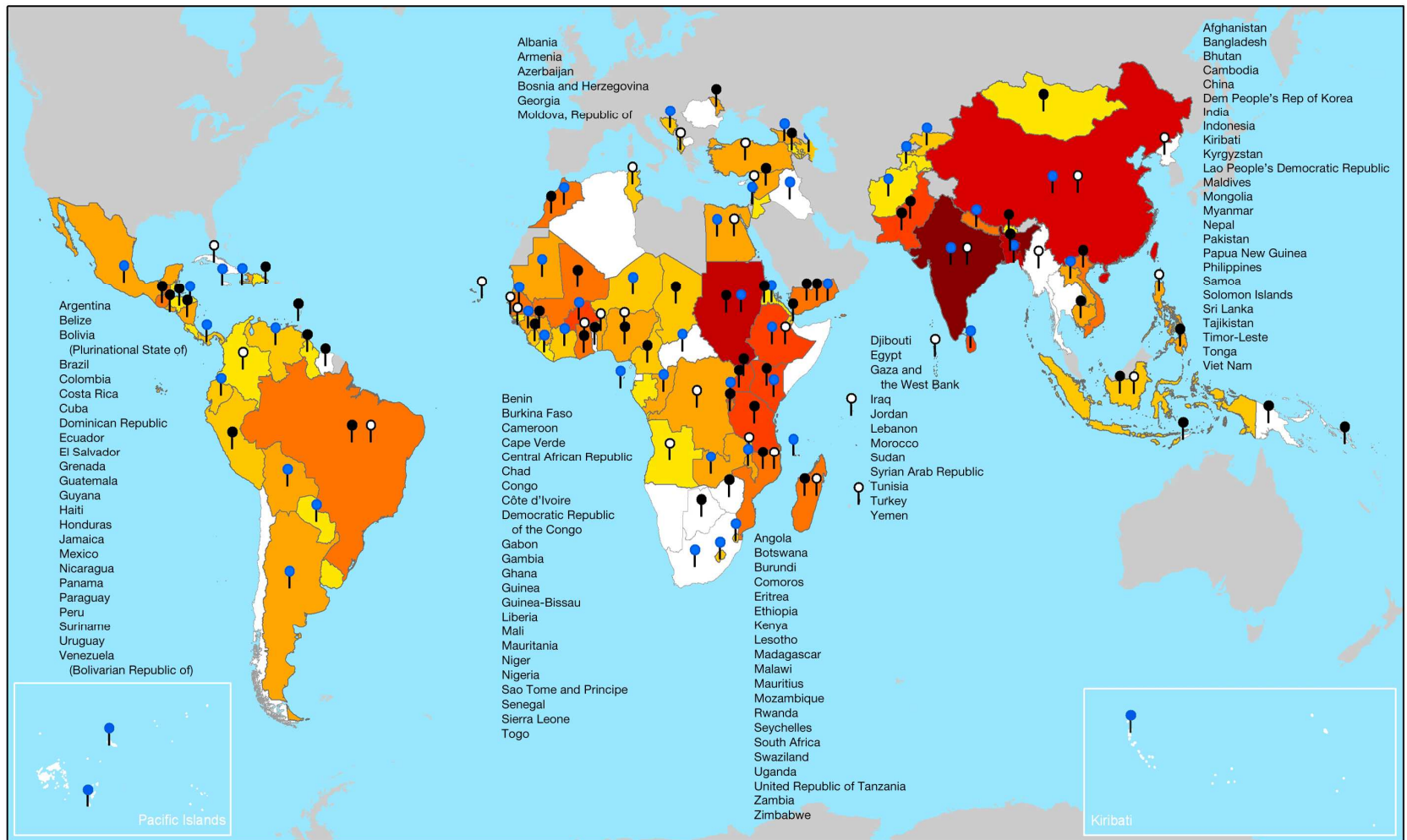
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## Abbreviations and acronyms

ADM	Administrative Services Division
AGL	Arab and Gulf States Liaison Office
ARRI	Annual Report on Results and Impact of IFAD Operations
AUO	Office of Audit and Oversight
CDS	Office of the Chief Development Strategist (Office of Strategy and Knowledge Management (SKM) effective 1 January 2011)
CFS	Controller's and Financial Services Division
CGIAR	Consultative Group on International Agricultural Research
CMR	corporate management result
COSOP	country strategic opportunities programme
CPM	country programme manager
CPPMS	Corporate Planning and Performance Management System
DSF	Debt Sustainability Framework
ERMC	Enterprise Risk Management Committee
FAO	Food and Agriculture Organization of the United Nations
HR	human resources
ICO	IFAD Country Office
ICT	information and communications technology Information and Communications Technology Division
IFI	international financial institution
IOE	IFAD Office of Evaluation
LEG	Office of the General Counsel
MDG	Millennium Development Goal
MTP	Medium-term Plan
ODA	official development assistance
PBAS	performance-based allocation system
PMD	Programme Management Department
PPMS	Project Portfolio Management System
QA	quality assurance (system)
QE	quality enhancement (system)
R3	Rome-based United Nations agencies
RIDE	Report on IFAD's Development Effectiveness
RMF	Results Measurement Framework
SEC	Office of the Secretary
SWP	Strategic Workforce Plan
UNICC	United Nations International Computing Centre
ZBB	zero-based budget

# IFAD-funded operations



Number of projects by country as of 1 January 2010



New project in



12-8-2010

## Executive summary

1. Achievement of the first Millennium Development Goal of eradicating extreme poverty and hunger is at the heart of the work of the International Fund for Agricultural Development. As the only United Nations agency and international financial institution engaged solely in agricultural development, IFAD has a golden opportunity to catalyse the potential embedded in the rural sector and in agricultural growth. This sector offers far-reaching benefits beyond food security, such as viable smallholder livelihoods, meaningful employment and sustainable rural development, including for those escaping from urban poverty.
2. The IFAD Medium-term Plan (MTP) 2010-2012 is guided by the Agreement Establishing IFAD and the IFAD Strategic Framework 2011-2015, which mandate IFAD to work for agricultural growth and rural development. The Strategic Framework presents IFAD's overall and strategic development objectives and goals and guides its country strategies and projects. It anchors IFAD's policies and guidelines to ensure coherence and consistency and indicates how IFAD will mobilize its human and financial resources. The MTP, in turn, sets out a rolling three-year corporate workplan and describes how IFAD generates outcomes to accomplish its strategic objectives of rural poverty reduction and food security.
3. To be republished each April, the MTP will be continually reviewed and reassessed, both for progress made in implementing its activities and for the achievements generated by its outputs. These achievements are measured by indicators and targets in IFAD's annual Report on IFAD's Development Effectiveness in December. Finally, the IFAD Office of Evaluation evaluates these results in its independent Annual Report on Results and Impact of IFAD Operations. These mutually reinforcing instruments assist IFAD in incorporating its evolving experience and knowledge as it addresses the challenge of rural poverty, and thus enable it to integrate lessons into the multi-year logical framework planning tool (see annex).
4. In a three-year rolling workplan, the MTP's logical framework highlights actions to deliver its programme of work in terms of country programmes, loan- and grant-funded projects, technical services, policy dialogue and knowledge management products. It identifies a series of policies and strategies that enhance IFAD's capacity to deliver and scale up innovative development solutions on the ground in order to resolve the challenges of smallholder poverty reduction. The MTP defines the assumptions that underpin effective and efficient execution of these programmes; and it identifies risks that must be mitigated if IFAD's work is to have sustainable development impact.
5. Finally, for the first time, the current version of the MTP presents resource inputs in the context of IFAD's goals and objectives. This facilitates examination of how IFAD uses its financial and human resources to achieve its planned outputs and strategic objectives, and how the use of these resources will develop as the Fund seeks to deliver greater impact under the MTP's three-year time frame. In addition, IFAD is applying zero-based budgeting to align administrative budget expenditures with the MTP. It is also using a strategic workforce planning approach to ensure that deployment of its human resources is directly linked to the 2010-2012 programme of work identified in the MTP.
6. To respond to an increasingly complex economic environment and aid architecture, Management has introduced a change and reform agenda, which is being implemented to generate efficiency gains for the organization and to align IFAD's resources more closely with its strategic priorities and deliverables. These initiatives, reported in the document Update on change and reform implementation, form a central area of activity in the context of the MTP – in addition to its core operations of producing financing packages and technical assistance for the benefit of smallholder agriculture.

## IFAD Medium-term Plan 2010-2012

### I. Overview

1. Extreme poverty remains a reality for over a billion people worldwide. Three quarters of the world's extremely poor people live in rural areas, and most of them are dependent on agriculture, directly as farmers and farm labourers, or indirectly through agricultural or input supply marketing and enterprises. Many others are dependent on forests, fisheries or other rural activities.<sup>1</sup> With three quarters of the world's one billion poor people living in rural areas, many are landless or farmers with plots too small to provide for their needs. Impediments to their progress relate to a critical lack of access to land, water, financial resources and agricultural technologies and services. These are further compounded by the declining productivity of natural assets due to environmental degradation and risks and vulnerabilities aggravated by climate change.
2. Poor rural people also lack access to markets and opportunities for enterprise that could help them increase their production, produce and market surplus. Market access, in turn, would generate income that would enable them to build resilience and access health and educational services. Above all, poor rural people lack the organizational power and influence required to advocate for their needs and to take advantage of emerging opportunities. Women – whose central roles in communities and in planning and implementing assistance programmes are widely recognized as key in achieving food security – are usually the most disadvantaged and challenged to unleash this potential.
3. The 2007-2008 food price hikes demonstrated the grave implications of underinvestment in agriculture by governments and donors alike. Official development assistance (ODA) to the agriculture sector declined from 18 per cent in 1979 to 3.5 per cent in 2004, as the share of public spending on agriculture in agriculture-based countries also declined significantly – from 10 per cent in 1980 to less than 4 per cent in 2004.<sup>2</sup> In consequence, the world was caught unprepared, with agricultural producers unable to balance both the structural and temporary demand surges with greater production, now evidenced in dramatic increases in the number of poor people across the developing world.
4. On the other hand, evidence shows that investment in agriculture increases overall growth far more than that in the rest of the economy. Agricultural growth remains central to poverty reduction, as one billion people worldwide continue to live in extreme poverty, many in rural areas.<sup>3</sup> The estimated 9 billion people in 2050 will require a doubling of production and an acceleration of the lagging growth in agricultural productivity in developing countries. Set against this growing demand for food, the dynamics of global agriculture are changing, depicted in an upward forecast of a long-term increase in food prices. On the other hand, the emergence of global value chains, biotechnology-driven agricultural research and new markets for biofuels have led to renewed confidence that agricultural research promises a fundamental “step change” in the development of low-cost, pro-poor technologies and extension services, thus unlocking agricultural production potential, including that of smallholders.
5. Triggered by the food price crises, the private sector is now collaborating with multilateral aid agencies to plant a sound and sustainable basis for expanding farmer-to-market supply chains. The private sector – domestic and international – is expressing a more pronounced interest in playing a role in leveraging additional resources and facilitating market access, thus enabling enhanced commercial opportunities for smallholders. The food price crisis also gave impetus to a renewed

<sup>1</sup> See World Bank, *World Development Report 2007: Development and the next generation* (Washington, D.C., 2006).

<sup>2</sup> *Ibid.*

<sup>3</sup> World Bank, *Growth and productivity in agriculture and agribusiness: Evaluative lessons from World Bank Group experience* (Washington, D.C., 2010).

global commitment to agricultural development and food security, which in turn has brought new capital to fuel innovation and to the scaling up of successful solutions.

6. These changes in the supporting factors highlight opportunities to address persistent rural poverty. Based on its own experience in remote areas, IFAD believes that there are proven and effective approaches to raising rural incomes and reducing rural poverty that are amenable to scaling up. It also believes that the potential of smallholders is not limited to improving their livelihoods, but extends to a development of their potential to contribute to national economic growth and development. This can be realized once agriculture, whatever its size, is viewed as a business and smallholders as small-scale entrepreneurs, with appropriate policies and supportive measures in place.
7. The IFAD Medium-term Plan (MTP) 2010-2012 is anchored in IFAD's firm belief that agricultural growth has the potential to meet the food and nutrition needs of an ever-increasing population. Agriculture harbours opportunities for meaningful livelihoods, employment and social safety; it promises to stem migration to urban centres and thus reduce urban poverty and social tensions. Community-based agriculture and rural development also sow the seeds of closely knit societies – the basis for improved conditions of law and order.

## **II. IFAD's strategic objectives 2010-2012**

### **A. Global commitment to agriculture and rural development to attain Millennium Development Goal 1 for poverty eradication**

8. The first Millennium Development Goal (MDG1) to "eradicate extreme poverty and hunger" is at the heart of IFAD's mission and is where IFAD focuses its attention and work (table 1). Acting together, in the context of the evolving aid architecture, the global community is determined to accelerate progress in rural poverty reduction, food security and agricultural development – integral to achieving MDG 1 and the interconnected MDGs for universal education and gender equality. Collaboration in agriculture, food and nutrition has led to new forms of cooperation in mobilizing investment financing to achieve greater results on the ground, which in turn may provide a foundation for accelerating progress over the MTP period and beyond. The realization of IFAD's strategic objectives, described in the MTP logical framework (see annex), is making a specific contribution to the MDGs through agricultural growth and rural development.
9. IFAD has a mandate to accelerate smallholder development worldwide and to make a vital contribution to reducing: (i) the share of the global population living on less than US\$1.25 a day; (ii) the prevalence of undernourishment; and (iii) the proportion of underweight children (under age 5). It achieves this through increasing: crop production, value added in agriculture, ODA to agriculture, and the share of national fiscal budget allocated to agricultural and rural development.

Table 1  
**MDGs and global agricultural development indicators**

<i>Indicators</i>	<i>Baseline year</i>	<i>Baseline value</i>	<i>2012 target</i>
MDG 1: Percentage of population living on less than US\$1.25 a day <sup>a</sup>	2005	26	21
MDG 1: Percentage of population undernourished <sup>a</sup>	2002-2004	17	10
MDG 1: Percentage of children under five underweight <sup>a</sup>	2005	27	17
Crop production index (1999-2001 = 100) <sup>b</sup>	2006	112.4	Tracked
Percentage of agricultural value added (annual growth) <sup>b</sup>	2004	4.1	Tracked
Level of ODA to agriculture <sup>c</sup>	2007	US\$4.2 billion	Tracked
Percentage of budget allocated to agriculture and rural development <sup>d</sup>	2005	5	Tracked

<sup>a</sup> United Nations, *Millennium Development Goals Report 2008* (New York, 2008).

<sup>b</sup> World Bank, *World Development Indicators 2009* (Washington, D.C., 2009).

<sup>c</sup> Of the US\$3.4 billion, Africa's share was US\$1.2 billion. The share of agriculture in total ODA was 3.4 per cent in 2004. World Bank, *World Development Report 2009* (Washington, D.C., 2009), p. 41, [http://stats.oecd.org/wbos/Index.aspx?DatasetCode=ODA\\_SECTOR](http://stats.oecd.org/wbos/Index.aspx?DatasetCode=ODA_SECTOR).

<sup>d</sup> In Africa, the New Partnership for Africa's Development (NEPAD) has advocated a 10 per cent share to agriculture in national budgets. A monitoring system has also been established. For the rest of the world, IFAD will use the statistics compiled by the International Monetary Fund.

## B. IFAD Strategic Framework 2011-2015

10. Defined in the new IFAD Strategic Framework 2011-2015, the Fund's overarching goal is to enable poor rural people to improve their food security and incomes, and to contribute to national food security by building profitable and sustainable farm and non-farm enterprises that are integrated into local, national and global markets and value chains.
11. Patterns of agricultural and rural development are changing in the MTP period, as are social, economic and political conditions. IFAD is implementing its new Strategic Framework to reflect these dynamic factors to ensure that it continues to add value in the diverse country contexts. To achieve its overarching goal and the strategic objectives – enhancing access of smallholders to resources and services essential to reducing poverty and raising incomes, and empowering smallholders to have the organizational capacity to take advantage of emerging opportunities and to influence the policy environment – IFAD has adopted six principles of engagement:
  - (i) **Differentiation of approaches according to the circumstances – one size does not fit all:** IFAD is preparing a new strategy for middle-income countries through which it seeks to engage with smallholders who remain poor in countries that have benefited from development, and where their development is critical to enhancing global food security. Similarly, in support of its differentiated approaches, IFAD is preparing a rapid post-disaster framework for rehabilitation and reconstruction to support the IFAD Policy on Crisis Prevention and Recovery (2006) and to facilitate rapid and more intensive engagement in support of fragile states when these face periods of severe downturns.
  - (ii) **Targeting poor rural people with the capacity to take advantage of economic opportunities provided by the investments that IFAD typically supports – particularly women and indigenous and landless people:** IFAD will strengthen its focus on gender and women's empowerment by adopting a new gender strategy that will empower IFAD to assume a leadership role in promoting women as change agents in generating agricultural and rural development. The strategy will incorporate the recommendations of the Corporate-level evaluation on IFAD's performance with regard to gender equality and women's empowerment, prepared by the IFAD Office of Evaluation (IOE), and will renew the commitment of the Eighth Replenishment of IFAD's Resources (IFAD8) to build IFAD's capacity to address gender issues, expand women's opportunities to participate in IFAD's projects and strengthen gender-



disaggregated data collection in order to improve the existing Framework for Gender Mainstreaming.

- (iii) **Empowering poor rural people – enabling them to build the assets, knowledge, skills, confidence, effective collective organizations and capacity to participate in decision-making:** IFAD will amplify its efforts to enable poor people to build assets, knowledge, skills and confidence by assessing impediments at the country level through the rural-sector performance review of the performance-based allocation system (PBAS), and by integrating the identified issues into its country-level policy dialogue. It will help rural people build collective organizations that are effective and inclusive. And it will increase decision-making and organizational capacity, especially of women and youth. A dedicated session of the 2010 Farmers' Forum convened women farmers. Encouraged by the opportunities created through hearing the voices of these women in decision-making, IFAD is now preparing to convene indigenous farmers in connection with a future Farmers' Forum by facilitating a preparatory meeting in February 2011. Similarly, the IFAD Conference on New Directions for Smallholder Agriculture to be held in January 2011 is creating opportunities for the world's smallholder representatives to discuss issues regarding investing in smallholder production.
- (iv) **Innovation, learning and scaling up:** IFAD recognizes the need to scale up successful development interventions. With the support of an external review of its operational instruments, knowledge management, organizational capacity, resource allocation, results measurement and implementation, IFAD is transforming from an institution that has principally focused on innovative, but often small and isolated projects, into one that explicitly and ambitiously creates drivers through which its clients and partners can scale up rural poverty interventions beyond IFAD's limited financial resources. These measures include: (i) adopting revised operational guidelines for scaling up; (ii) developing an IFAD strategic framework for action on scaling up – complementary to the innovation and knowledge management strategies; and (iii) revising key operational procedures to assure that scaling up is appropriately reflected and to move IFAD from project-focused to programmatic approaches.
- (v) **Effective partnerships:** IFAD will adopt a more systematic strategic approach to partnerships to strengthen key alliances with national stakeholders, the international development community and the private sector. The objectives of this approach will be to: (i) enhance the capacity of organizations of poor rural people and foster sustainable collaboration among farmers, government officials and private-sector representatives; and (ii) assemble resources from many sources, packaging these into investment programmes and projects that will have a significant impact on rural poverty, thus improving the quality, scope and impact of IFAD's operations and its organizational effectiveness and efficiency. Through preparation of a framework for these partnerships, IFAD will: selectively deepen its current strategic partnerships with the Rome-based United Nations agencies (R3), other international financial institutions (IFIs), farmers' organizations and the research community; establish new partnerships with foundations, new official donors and private-sector actors; and promote South-South partnerships to share successful approaches to rural poverty reduction among countries and regions.
- (vi) **Sustainability:** While evaluation outcomes for project sustainability have improved slightly over 2002-2004, IFAD will place an even higher priority on the sustainability of the programmes and projects it finances by: (i) continuously identifying improvements in project design quality to ensure development impact and sustainability; (ii) promoting national leadership of projects and programmes; (iii) ensuring that these are owned by rural people themselves; (vi) scaling up sustainable programmes and projects; (v) promoting sustainable

public/private partnerships; and (vi) focusing more on the economics of its projects to assure more sustainable outcomes and contributions to economic growth.

### **C. MTP assessment of risks to sustainability**

12. The MTP logical framework highlights that the greatest risks to rural development and agricultural growth, and by extension to IFAD's success as a development agent, are: political instability and conflict; lacklustre commitment to agricultural development; and constraints on agriculture and rural development funding (see annex, p. 24). IFAD most often works in problematic environments, and thus must safeguard its development effectiveness by setting realistic objectives and time frames and, above all, realistic resource envelopes, which take account of the high operating costs in remote and challenging conditions. With these characteristics in mind, IFAD is still determined to achieve significant improvement in its efficiency and effectiveness, measured by the assistance delivered by its internal resources – both human resources and administrative funds.
13. IFAD's Update on change and reform implementation provides a comprehensive discussion of IFAD's programme to generate efficiency gains. Country programmes and projects are particularly benefiting from these measures. For instance, in 2010, disbursements to date have increased by 19.4 per cent to US\$498 million from US\$417 million in 2009; the number of project extensions has been reduced to 17 from 26 in 2009; time overruns in project implementation have declined to 9 per cent from 23 per cent in 2009; and the average actual duration of a project has been reduced to 7 years from 7.6 years in 2009. These implementation improvements are the result of the two-year experience of direct supervision of projects, decentralization of operations to IFAD Country Offices (ICOs), and implementation of resource reallocation across regions and countries through a rigorous application of the PBAS, particularly through its mid-term planning within the allocation cycle.
14. The MTP also notes the paramount importance of policy and regulatory contexts, which influence the sustainability and success of IFAD assistance. IFAD's country-level policy dialogue process acknowledges that agriculture and rural development are yet to be fully addressed in many national poverty reduction strategies, which is a risk to the advancement of agricultural and rural development in developing countries. In many of these countries, agriculture ministries have only limited capacity to carry out crucial policy reforms, and while poor rural people are finding their voice through stronger organizations, they are still far from being equal partners in shaping the policies that affect their livelihoods. IFAD is quickly becoming a lead advocate of community and national ownership of agricultural development and of fiscal and political space for agricultural investment – and a voice for poor rural people, ensuring that smallholder issues receive attention and resolution in government planning and policy processes.
15. While agricultural development in the developing world has suffered from reduced public and private investment levels, including reductions in aid funding, IFAD maintains its chartered course, defined in the MTP logical framework, to finance rural agriculture throughout the developing world with a view to enhancing sustainable agricultural productivity; increasing rural food production, self-sufficiency and food security; raising rural incomes; and improving health, nutrition and education standards and the general well-being of poor rural people. IFAD is committed to scaling up its programme of work, both through (i) its resource mobilization activities, including replenishment negotiations with its donor partners; and (ii) strategic partnerships and collaboration, introducing its partners to new forms of assistance and innovation, and fostering new alliances across a range from horizontal networks of smallholders to vertical markets and value chains – crucial in expanding opportunities for smallholders to participate in and take advantage of the rising demand for food.

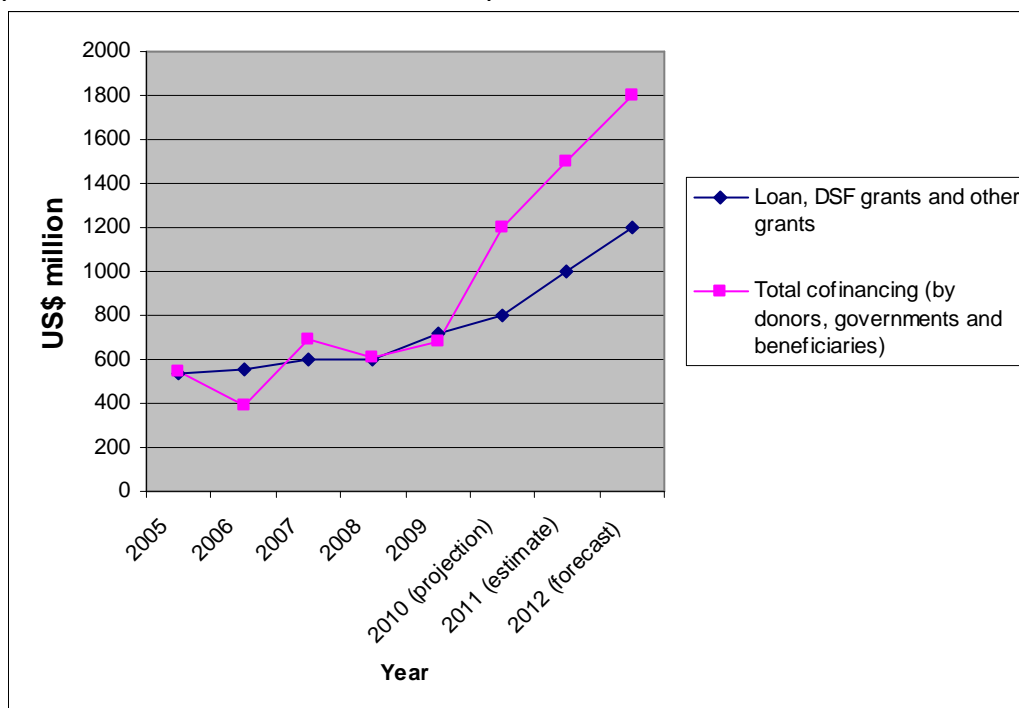
### **III. Country strategic opportunities programme outcomes 2010-2012**

16. The MTP logical framework (see annex, p. 24) describes IFAD's work through its country strategic opportunities programmes (COSOPs), projects, global and regional grant programmes, knowledge management practices and innovations, and policy dialogue on agriculture and rural development. IFAD stakeholders include smallholder farmers and poor rural people – in particular, women – as well as employees of rural businesses, agro-industry and government. IFAD projects and programmes support agricultural development, rural financial services, rural infrastructure, livestock, fisheries, capacity- and institution-building, storage and food-processing-cum-marketing, agricultural research, extension and training, natural resource management, forestry, fisheries, livestock and small- and medium-scale enterprise development.
17. IFAD's resources are allocated to country loans and grants using the PBAS, based on variables that reflect country need and performance: more resources are allocated as rural populations increase and as per capita income declines (need) and as performance on rural policy and the project portfolio improves (performance).
18. The PBAS approach includes a special provision for rural-sector performance, which is weighted heavily in the overall assessment of country policies and institutions and is the basis for policy dialogue. IFAD reviews the PBAS system on a continuing basis to ensure that it remains up to date and relevant, and that it considers evolving practices in other IFIs, such as issues relating to fragile states and changes in grant policies.
19. Country programmes, loan projects, and project and regional grants are the primary tools with which IFAD delivers development results at the local level, as they directly engage with smallholder farmers, fishers, pastoralists, small entrepreneurs and poor rural people. Under IFAD8 (2010-2012), IFAD will deliver a programme of loans and grants 50 per cent larger than in the previous triennium, and is preparing projects for approval for some US\$819 million in 2010, US\$1,230 million in 2011 and US\$803 million in 2012 (see figure 1 and annex, p. 25). It will support an ongoing portfolio of over 250 projects and approximately 300 grants.<sup>4</sup> In the MTP period, IFAD's lending and DSF grant programmes will progressively expand, involving innovative solutions for sustainable rural development and their scaling up. These solutions will respond to new challenges in the context of countries' rural development programmes, and will seek expanded partnerships with other sources of finance, including governments, the private sector, official and non-governmental donors. Moreover, IFAD will manage this expansion with increasing efficiency, that is, the loan and grant programmes will expand faster than IFAD's total administrative costs.

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<sup>4</sup> These include IFAD's Debt Sustainability Framework (DSF) grants, which finance country investment projects under the Heavily Indebted Poor Countries Debt Initiative, and IFAD's regular grant programme, financing projects outside of those eligible for DSF funding. Regular grants are primarily for global and regional programmes, covering more than one country, but they also include small grants.

Figure 1  
**IFAD's loans, DSF grants, other grants and total cofinancing  
 (2005-2009 actual and 2010-2012 estimated)**



20. To achieve its overarching goal, IFAD's outputs (i.e. its programme and project results, and policy changes at national and international levels) and its inputs (i.e. COSOPs, projects, direct supervision and implementation support, country presence, structured knowledge products, policy dialogue and grants for global and regional initiatives) must integrate specific opportunities and challenges driving the agriculture sector and the long-term challenges of food supply. Under IFAD's new Strategic Framework, operations will seek to ensure that: (i) poor rural people manage natural resources (land and water) efficiently and sustainably; (ii) adaptation and mitigation measures counteract effects of climate change; (iii) agricultural technologies and effective production services enhance productivity; (iv) a broad range of financial services meets productive and household needs; and (v) opportunities are created for rural enterprise development and off-farm employment.
21. The projected number of COSOPs is based on the objective of having operative country strategies in all countries in which IFAD has a major programme (40). Six COSOPs are projected for 2010, 13 for 2011 and 5 for 2012, for a total of 24 COSOPs in the MTP period.<sup>5</sup>

#### **IV. Project outcomes 2010-2012**

22. IFAD's strategic and country objectives are achieved through its loan and grant programmes and projects in 90 countries (see annex, p. 26).
23. The 2010 programme of loans and grants totals US\$819 million as of 4 November 2010, compared with the US\$800 million originally planned. Of this, the regular grant programme is projected to be about US\$46 million, hence well below the ceiling.
24. IFAD annually prepares more loan- and grant-funded projects than it approves. The rolling nature of the MTP ensures flexibility over the years, enabling IFAD to adjust to slippage in the programme of work due to changes in country circumstances. Conversely, some projects are advanced, for instance when government priorities

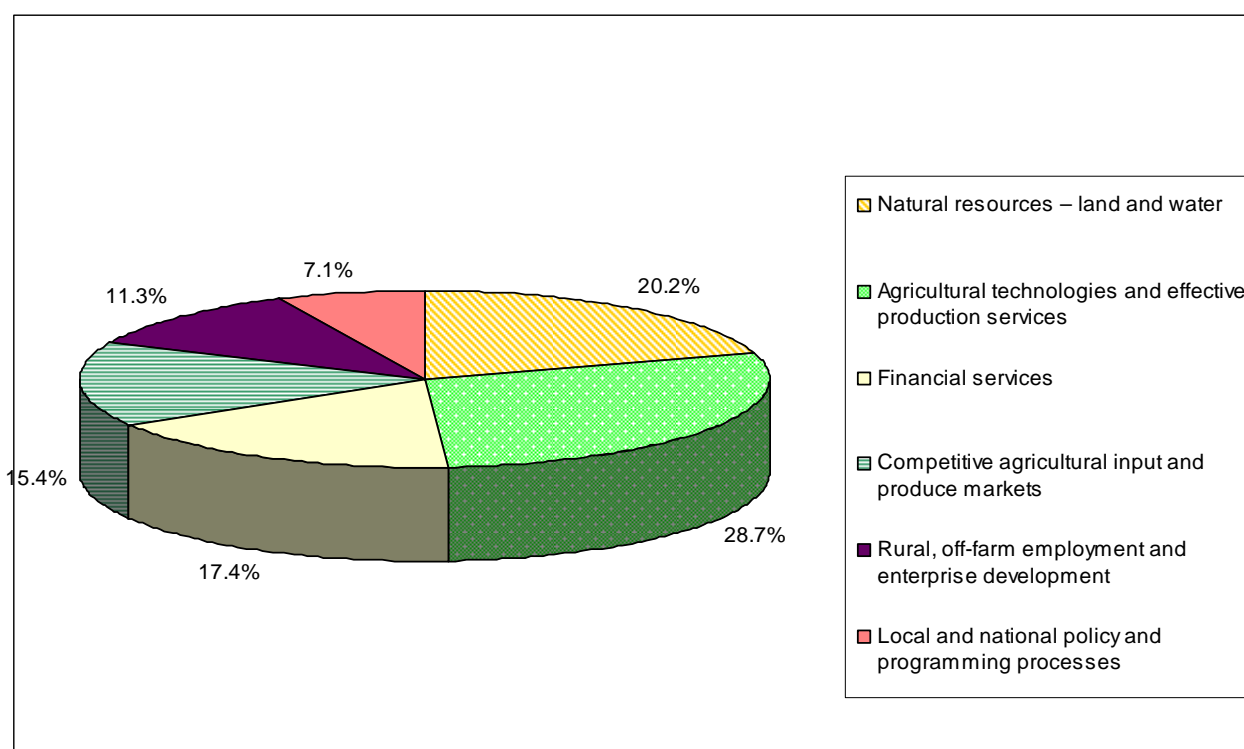
<sup>5</sup> To contain costs, IFAD does not prepare COSOPs for countries with only one new operation; in those cases, IFAD's country objectives are described in the project documents.

change in favour of rural development. The MTP rolling three-year framework allows for movement and flexibility among the annual plans, and helps IFAD stay on course in supporting poor rural people at full capacity in any one year. The MTP planning framework helps IFAD gauge the impact likely to result from a corresponding acceleration in disbursements and the generation of development outputs.

25. For 2011, IFAD is preparing loans and grants totalling about US\$1.2 billion (including a regular grant programme of about US\$65 million), of which about US\$1.0 billion is expected to be delivered to the Executive Board for approval, with the remainder prepared for approval in 2012. In 2012, the total programme is projected to reach US\$1.15 billion, including US\$54 million in regular grants. The anticipated distribution of IFAD's programme of loans and DSF grants in 2011 across IFAD's strategic objectives is shown in figure 2.

Figure 2

**Planned distribution of 2011 lending and DSF grants by IFAD strategic objectives  
(as of 25 June 2010)**



## V. Grant programme outcomes 2010-2012

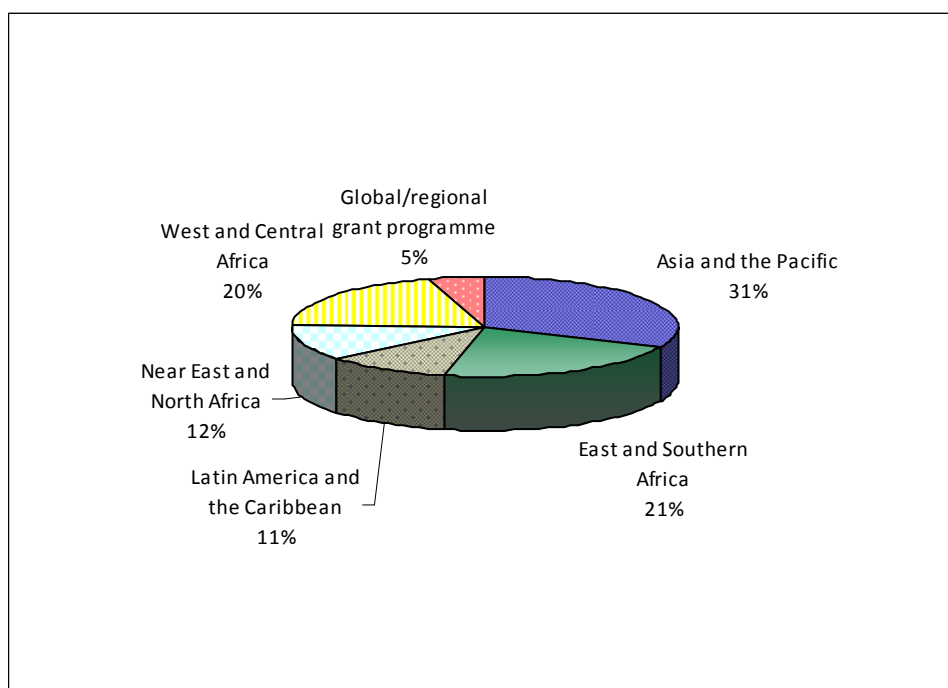
26. The MTP logical framework (see annex, p. 27) describes targets for IFAD's grant programme, which amounts to US\$40 million in 2010, US\$50 million in 2011, and US\$60 million in 2012. IFAD places great strategic value on the use of its grants, maximizing synergies between its loans and grants, using the lending programme more systematically to scale up grant-financed innovations and using grants more proactively as a tool for innovation and learning (see figure 3).
27. The IFAD Policy for Grant Financing approved by the Executive Board in December 2009 acknowledged that the grant programme needs to be better prepared and supervised and, as with loans, fewer but larger grants approved. Grants managed by IFAD will be (i) vetted against increasingly high-quality standards; (ii) more closely related to country or regional objectives and programmes; and (iii) planned more strategically and, where possible, clustered into single agreements with institutions currently managing more than one IFAD grant. While the Policy and Technical Advisory Division is a major sponsor of global grants, regional grants are sponsored by all IFAD

regional divisions. The competitive process for selecting grants for financing will focus more on divisional grant strategies and the quality of individual proposals.

28. A major grant recipient continues to be the Consultative Group on International Agricultural Research (CGIAR), an informal association of 64 public- and private-sector members that supports a network of 15 international agricultural research centres. CGIAR covers research for crops that provide 75 per cent of the food and protein requirements of developing countries. In addition, grants support farmers and indigenous peoples' organizations, international and local NGOs, specialized United Nations agencies, developing country research institutes and educational institutions. Regional organizations and the private sector will also receive some grants. Capacity-building, knowledge-sharing, lesson-learning, policy dialogue and experimenting with innovation will be the focuses of IFAD's grant programme.

Figure 3

**Geographical distribution of grants**



## VI. Project implementation outcomes 2010-2012

29. As indicated in the MTP logical framework (see annex, p. 29), by 2012 all IFAD-financed projects will be directly supervised by IFAD, except those jointly supervised with a qualified cofinancier. IFAD is focusing on improving its capacity to provide high-quality supervision, implementation and loan administration support to achieve more rapid project impact. As reflected in paragraph 24, this involves reducing the gap between project approval and first disbursement, as well as overall disbursement lags. A special supervisory effort will also be required where project start-up delays are particularly long, and where project implementation problems are severe. Supervision efforts will thus be increasingly customized to the country and project situation. This will be accomplished largely by increasing the frequency and quality of supervision through expansion of the supervisory capacity of ICOs.
30. Since 2008, when IFAD began to take over project supervision from the cooperating institutions, it devolved this function to the regional divisions, all of which now have capacity for project management and supervision. IFAD is implementing a new model in 2010, to ensure a robust fiduciary management of projects, while instilling segregation of responsibilities and enhancing capacity to address the evolving loan administration and financial management needs of the portfolio. The model is based

on a matrix reporting arrangement and on the principle that the regional divisions of the Programme Management Department (PMD) are accountable for programme delivery, and the Controller's and Financial Services Division (CFS) for the integrity of financial outflows, including those directed to loan and grant activities. This introduces the required checks and balances over the main financial outflows of the institution. Adoption of the new model will be accompanied by a change in the disbursement process to a risk-based approach, which will permit differentiated levels of controls for transactions according to assessed risks of the relevant factors, such as financial management capability of the project, type of disbursement, amount of disbursement, results of recent audits and incidence of errors, among others. The new model and the risk-assessment activities contribute to IFAD's evolving activity of assessing country systems (procurement, financial management and audit) as a basis for developing more efficient and effective project implementation arrangements. In 2011, IFAD will develop its capacity for assessing country systems – to be carried out jointly by the regional divisions and CFS.

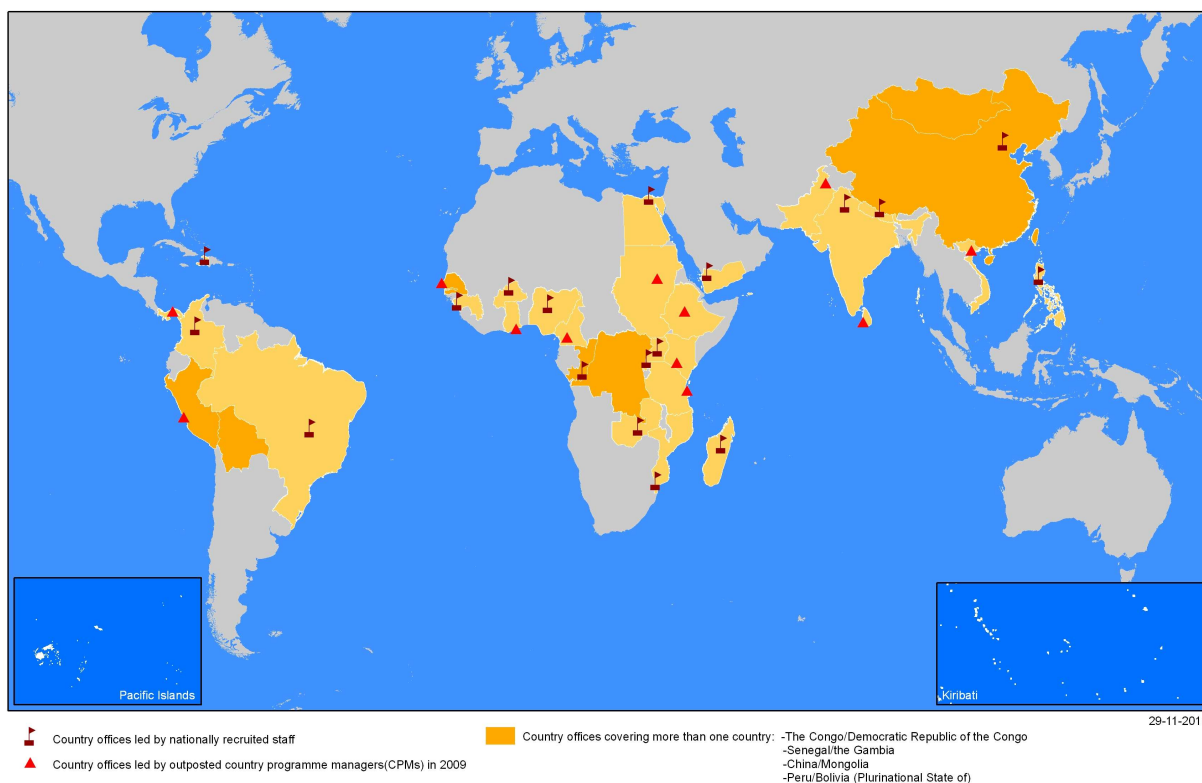
31. These efforts will contribute to better outcomes in country programme operations over the MTP 2010-2012 period. IFAD will be able to apply a proactive problem-solving approach in direct supervision and move towards more-continuous supervision by its ICOs. Its supervision experience will also allow IFAD to capture and disseminate knowledge generated through direct supervision in order to refine new country strategies and project design; provide information for the Fund's contribution to national policy dialogue; and help IFAD build a stock of good operational practices that will contribute to effective and efficient project implementation.

## **VII. Project design and implementation support outcomes 2010-2012**

32. In the MTP period, the Fund will average 39 projects per year, representing a dramatic increase in demand for its services, as IFAD approved 33 projects in 2009. It will embrace this expanded role by reviewing its business processes to make them faster, more flexible and more tightly integrated with national programming, policies and procedures. Thus delivery on IFAD's objectives is predicated on a number of changes and reforms to its institutional and policy framework so as to enhance its strategic guidance and policy instruments.
33. Described in the MTP logical framework (see annex, p. 27), IFAD will strengthen the design and management of its COSOPs, with a particular regard to alignment with country and local needs, government priorities and harmonization with development partners. IFAD will also revise the guidelines for COSOPs in 2010, modifying the "at-entry" quality assurance (QA) mechanism for COSOPs to assure greater focus on its relevance. In addition, its annual country programme implementation reviews will involve increased government and key in-country partner engagement.
34. The MTP plan has also set targets for project design innovations, including updating project design and quality enhancement guidelines to expedite these processes. This will involve: developing differentiated design and appraisal reporting formats, and more-pertinent project files and implementation reports; implementing continuous design processes driven from ICOs; scaling up IFAD's successful pilots through cofinancing; and creating trust funds to finance detailed project design work to accelerate project start-up activities. The revised business processes will aim to make these activities faster, more flexible and more integrated into national programming, with greater emphasis on absorptive capacity and faster disbursement.
35. On the institutional front, in the MTP period IFAD will improve country programme and project sustainability through the following actions:

- (i) **Country ownership:** IFAD will invest in national capacities for design and implementation and will approve revised procurement guidelines that amplify the use of national systems and joint missions with partnering agencies and government counterparts.
- (ii) **South-South partnerships:** IFAD will foster sharing of successful experiences and technologies among the countries and regions, with a coordinating focal role vested in the Office of the Chief Development Strategist (CDS) – established 1 January 2010.<sup>6</sup>
- (iii) **Private-sector engagement:** IFAD will connect smallholders with markets for agricultural inputs, processing, marketing, and financial services through more effective partnerships. It has already revised the IFAD Policy for Grant Financing (2009) to permit it to extend grants to private-sector entities.
- (iv) **Country presence:** IFAD will increase its responsiveness to country-level demand, policy and programming processes and its engagement with country-level actors by establishing a total of 30 ICOs by end-2010, 35 by end-2011, and 40 by end-2012 (see map). These will be hosted by other international organizations, primarily the United Nations Development Programme, the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme, and will be staffed largely by locally recruited experts and in some cases by outposted country programme managers (12 in 2011). ICOs will play a critical role in achieving increased efficiency in development operations, creating synergies among supervision activities, ensuring coherency of programmes and projects with national priorities, and improving the effectiveness of implementation. A country presence strategy will be presented to IFAD's Executive Board in May 2011.

#### IFAD country offices



<sup>6</sup> The President's Memorandum of 18 October 2010 renamed the Office of the Chief Development Strategist as the Office of Strategy and Knowledge Management (SKM), to take effect 1 January 2011.



- (v) **Climate change mainstreaming:** With the support of the IFAD Climate Change Strategy (2010) and the new environment and natural resource management policy slated for approval in 2011, IFAD will make its programmes and projects “climate smart” and will systematically mainstream climate change concerns.
- (vi) **Scaling up:** IFAD will augment its scaling up opportunities by examining institutional, organizational and policy contexts in order to: create incentives and conditions for effective scaling up; cultivate partnerships able to scale up high-quality pilots; and evaluate the scaling up of experimental projects to catalyse greater impact for poor rural people – taking account of the recommendations of the recent review of innovation and scaling up by IOE (2010).
- (vii) **Gender mainstreaming:** IFAD’s new Strategic Framework will bring rural women to the forefront of its operations as critical development champions. Taking note of analysis prepared by IOE on gender, IFAD will revise its gender strategy in 2011.
- (viii) **Indigenous people:** Under the IFAD Policy on Engagement with Indigenous Peoples (2009), the Fund will continue to invest about 20 per cent of its loan and grant programmes in development for indigenous peoples; provide guidance on good practices in such development; document its experiences in order to pursue informed advocacy and policy dialogue in partnership with major international organizations; and co-manage the growing Indigenous Peoples Assistance Facility.
- (ix) **Partnerships:** IFAD will build deeper partnerships to underpin sustainable rural development – including with smallholders’ organizations, their international umbrella organizations and the Farmers’ Forum. At the international level, IFAD has been recognized among IFIs as specialized in developing highly calibrated agricultural assistance in remote areas, with strong community-level participation and consultation networks and skills – competencies that create synergies for IFAD with its partners. IFAD will submit a review of its existing partnerships to the Executive Board in September 2011.

## VIII. Achieving and measuring programme and project results

36. During processing of COSOPs and projects, based on IFAD’s QA system, key indicators are monitored to provide an early assessment of programme and project quality at approval by the Executive Board. In this system, each new COSOP and project is independently reviewed and scored by independent experts. During implementation, IFAD’s operations are monitored against targeted achievements under IFAD’s Results Measurement Framework (RMF), which links IFAD’s performance to its strategic objectives. In addition, country programmes and projects are measured at completion through project completion reports, enabling effective review of the results achieved and of lessons for the future design of programmes and projects (table 2). MTP results are presented against the targets of the RMF, which set overall institutional objectives and performance measures, as well as those of the Corporate Planning and Performance Management System (CPPMS), which in turn provides a platform for everyday performance and resource management monitoring. The results are included in the Report on IFAD’s Development Effectiveness (RIDE) and evaluated in the Annual Report on Results and Impact of IFAD Operations (ARRI).
37. Programmes and projects are evaluated and monitored for their relevance (consistency of project objectives with the priorities of poor rural people), efficiency (economic conversion of programme resources into results), sustainability, innovation, scaling up, poverty impact and gender equality. Success achieved in these factors has

been decisive in improving IFAD's impact on smallholder livelihoods and ensuring IFAD's relevance in the global development architecture.

38. To provide a historical perspective, in 2006 IOE reviewed these measures with the following conclusions: project effectiveness at completion was marginally satisfactory or better in 72 per cent of the projects studied,<sup>7</sup> a satisfactory impact on rural poverty was found in only 37 per cent of projects, and only 40 per cent were found to be sustainable at completion. By 2007 (one of the baseline years shown above) significant improvements had been recorded. IFAD welcomes the 2012 targets, which are highly ambitious, but set a course for IFAD to pursue real advancement in the livelihoods of poor rural people.

Table 2

**Performance targets and indicators for project performance at entry**

<i>Results Measurement Framework indicators</i>	<i>2009 actual %</i>	<i>2010 actual %</i>	<i>2012 target %</i>
<b>RMF indicators: better country programme management</b>			
<b>Percentage of country programmes rated 4 or better at entry (based on QA or project data) for:</b>			
Contribution to increasing incomes, improving food security and empowering poor rural women and men (QA)	100	100	90
Adherence to aid effectiveness agenda (client survey)	96	100	100
Percentage of ongoing projects actually receiving international cofinancing (2009 baseline)	<b>56</b>	<b>58</b>	<b>65</b>
<b>RMF indicators: better project design (loans and grants)</b>			
<b>Percentage of projects rated 4 or better at entry for:</b>			
Effectiveness (QA)	93	97	90
Rural poverty impact on the target group (e.g. through physical and financial assets, food security, empowerment) (QA)	91	97	90
Sustainability of benefits (QA)	81	72	90
Innovation, learning and/or scaling up (QA)	86	78	90
<b>RMF indicators: better supervision and implementation support</b>			
Average time (months) from project approval to first disbursement	21.4	16.7	14
Percentage of problem projects in which major corrective actions are taken (proactivity index)	24	50	75
Percentage of projects for which IFAD performance rated 4 or better (ARRI) (2009)	64	71	75
Percentage of problem projects in ongoing portfolio (PPMS)	19	18	15
Percentage of time overruns for completed projects (PPMS)	17 <sup>a</sup>	17	20
Average days for processing withdrawal applications (directly supervised projects) (PPMS) (July 2009 – 30 June 2010)	35	28	31.5
<b>Consultation report indicator</b>			
Cofinancing ratio – IFAD financing to total cofinancing, both international and domestic	<b>1.0</b>	<b>1.99</b>	1.5 <sup>b</sup>

PPMS: Project Portfolio Management System, maintained by Management.

ARRI: Annual Report on Results and Impact of IFAD Operations, IFAD Office of Evaluation data.

QA: quality assurance system data.

<sup>a</sup> Represents the cohort of 40 projects that were completed from July 2007 to June 2009 as the dataset of 12 projects for 2008/2009 was not sufficiently robust to provide a good comparator.

<sup>b</sup> Target reflects total cofinancing in the 8<sup>th</sup> Replenishment period from 2010-2012

## **IX. Knowledge management and policy dialogue outcomes 2010-2012**

### **A. Knowledge management**

39. Thirty-three years of project design and implementation experience have endowed IFAD with a wealth of development experience, expertise, knowledge, and lessons on

<sup>7</sup> The IOE-reviewed projects were approved by the Executive Board in the 1995-2001 period and completed by 2005. See the ARRI 2006 report (document EB 2007/92/R.7).

what works in agricultural and rural development, an invaluable resource for IFAD to draw on in developing value-adding assistance to smallholders. Sharing this knowledge is not only an effective instrument for scaling up successes, but also places an onus on IFAD to build global awareness of development outcomes and possibilities. IFAD will institute new advocacy and communication strategies in 2010 to guide and coordinate units engaged in advocacy and policy dialogue, and to build its capacity to attain operational objectives and identify instrumental opportunities to influence policy at national and global levels. A vital element of IFAD's knowledge development is its grants programme, and a sizable "knowledge" grant is expected to harness knowledge products accessible to all.

40. During the MTP period, IFAD will (i) maximize use of field-level information, capture knowledge regarding current developments and capitalize on greater sharing of field, project and policy experience through workshops, training, visits to the field, participation in other donor programmes, publications and submission of experiences to IFAD's website; (ii) strengthen practice and thematic groups, modelled on existing groups such as gender, rural finance, livestock and natural resource management; (iii) involve outside reviewers of IFAD projects to tap external knowledge, under its quality enhancement process; (iv) continue to disseminate IFAD publications and materials to partners; (v) scale up successful IFAD project innovations; (vi) encourage South-South knowledge-sharing; and (vii) partner with other institutions in knowledge management activities.

## **B. Policy dialogue**

41. With most of the net food-deficit countries contributing less than 10 per cent of their fiscal allocations to the agriculture sector, IFAD's policy dialogue work at the country level is vital to developing a conducive environment and the conditions needed to generate the intended food security and rural development impacts. In providing policy dialogue services, IFAD focuses on its comparative advantages to bridge critical gaps in policy dialogue, specifically on issues of effective engagement with smallholder agriculture, critical to an inclusive and sustainable response to the food security challenge.
42. To develop IFAD's leadership in knowledge and policy dialogue, CDS will drive and monitor IFAD's participation with regard to emerging issues in smallholder-based agriculture and rural poverty reduction, as well as guide IFAD's strategic contribution to policy dialogue, knowledge management and programming, including promoting inclusion of agriculture and rural development in emerging climate finance modalities. It will strengthen IFAD's analytical and leadership capacity in the global dialogue on rural and smallholder development.
43. In the MTP period, CDS will add value to IFAD's operational business processes through research and analysis on key issues of agricultural and rural development to enhance IFAD's analytical capacity to engage more fully in the global policy debate. It will lead and, where appropriate, contribute towards the formulation of IFAD's key strategic plans such as the Strategic Framework, IFAD's MTP, and other macro-level policies, so that IFAD's programmes and projects are informed by the latest thinking in our focal areas. Through enhanced partnerships and engagement in global policy debates, CDS aims to keep abreast of current thinking on rural poverty reduction and, in turn, contribute to key processes such as COSOPs, QA and other IFAD programmes and projects. In 2011, CDS will develop its role as a knowledge-broker to ensure that IFAD is kept informed of important developments in the global dialogue on agricultural and rural development and that IFAD, in turn, is in a position to share with the outside world its own lessons and experience based on sound analysis. This will involve: establishment of a small statistical unit to enable IFAD to manage data systematically and consistently and to help IFAD staff access reliable data from internal and external sources; and the gradual establishment of a research division to support IFAD's analytical work (see annex, p. 30).

44. The corporate policy advocacy role is central to IFAD's work. CDS will work to ensure that IFAD advocacy work – by Senior Management, the Communications Division, and other staff at global, regional and national levels – has a sound analytical basis and is informed by current, state-of-the-art thinking. As identified in the MTP logical framework (see annex, p. 30), CDS will take responsibility for producing the flagship publications of IFAD, support the work of regional economists, and champion IFAD's knowledge management and innovation activities.

## **X. Communication outcomes 2010-2012**

45. IFAD recognizes that external and internal communication can advance its ability to carry out its mission more successfully and attain its operational objectives more effectively. "Smart" communication can increase IFAD's effectiveness, affirm the Fund's profile as a champion of rural poverty eradication, and build IFAD's impact as an advocate for increased investment in agricultural development and its reputation as a results-driven organization with an unwavering focus on smallholder farmers and other poor rural producers. Transparent communication of IFAD's potential to deliver programmes and projects and the results generated through the programme of work instil confidence in its stakeholders, including its targeted beneficiaries, and increase the institution's chances of successful replenishment and resource mobilization. IFAD's approach to communication is proactive – seeking to ensure that the Fund's communication efforts – both internal and external – are clear, targeted, disciplined, coordinated and scaled to an institution of IFAD's size and reach.
46. With regard to internal communication, as IFAD's country presence expands, ensuring a strong connection between headquarters and the field is vital. This will deepen the sense of ownership of IFAD's agenda, facilitate sharing of lessons learned and knowledge throughout the organization, and ensure that IFAD staff across the globe have the tools they need to communicate IFAD's messages effectively and confidently. In terms of external communication, only a dynamic, sustained, systematic and innovative approach will enable IFAD to broaden its communication impact. In the MTP logical framework (see annex, p. 31), IFAD enumerates the external communication efforts that will strengthen IFAD's "brand" by focusing on:
- (i) The impact of IFAD's work in the countries in which it operates;
  - (ii) Communication activities to contribute to IFAD's involvement in global and regional initiatives and to ensure that the Fund's messages reverberate as loudly as possible;
  - (iii) The roll-out of quality publications such as the *Rural Poverty Report* and the Occasional Paper series, which contribute substantively to the debate on topics related to food security, agricultural development and rural poverty.
47. During the MTP period (see annex, p. 31), IFAD will tackle communication objectives through: (i) offering communication training throughout IFAD, with a particular focus on PMD and the ICOs; (ii) developing a communication toolkit to support the corporate communication strategy and guide the handling of risks and crises; and (iii) intensifying regional communication through partnerships across its divisions and departments.

## **XI. Resource mobilization outcomes 2010-2012**

48. The financing requirements of inclusive and sustainable food security are daunting. Thus IFAD's resource mobilization efforts are multi-pronged and capitalize on its capacity to catalyse resources for smallholder development, in addition to the periodic replenishments that determine the core funding of its loan and grant projects every three years. IFAD also receives supplementary funds from governments, multilateral entities and the private sector (including foundations). It functions as an assembler of resources – catalysing additional resources for food security objectives and agricultural

production – and is working with many bilateral, regional, private-sector and foundation sources to identify cofinancing and supplementary resources.

49. In January 2009, IFAD successfully concluded its Eighth Replenishment negotiations. As of 30 September 2010, IFAD8 had received 89 per cent or US\$1.06 billion of the pledges announced as a replenishment target for donor contributions (US\$1.2 billion), and 81 per cent of the instruments of contribution had been deposited – 1 per cent above those received under IFAD7 in the same period. As of 30 September 2010, 52 per cent of pledges had been paid in cash and promissory notes by donors – 14 per cent above those received under IFAD7 in this period.
50. In the IFAD8 negotiations, IFAD adopted an ambitious target for expanding the cofinancing of projects – and is thus exploring new mechanisms for mobilizing additional resources for smallholder development. It will support existing and emergent global financing mechanisms, for instance by supervising programmes and projects funded by the Global Agriculture and Food Security Program in Togo and Sierra Leone. Rising to the challenge of its cofinancing target, IFAD has signed a cofinancing framework with the Islamic Development Bank (IsDB) for US\$1.5 billion in 2010. During the MTP period, IFAD’s resource mobilization function will develop even more cofinancing mechanisms to access greater resources for smallholder agriculture, including examining possibilities for concessional borrowing from its Member States.
51. Deeper partnerships with other IFIs offer far-reaching opportunities for scaling up successful pilots through which smallholder livelihoods have been sustainably improved. For example, the IFAD/IsDB cofinancing framework agreement, signed in February 2010, offers opportunities for joining forces over a three-year period (2010-2012) – in a total of 25 common member countries – to systematically identify country-level cofinancing opportunities. In 2011, IFAD’s potential lending to these countries is forecast to reach US\$700 million, which will be augmented by an additional US\$800 million from IsDB under the agreement. The two institutions hope that this cofinancing arrangement will attract further additional funding from other development partners in joint interventions to improve rural infrastructure, promote local economic development and enhance food security.
52. Important outreach programmes have been initiated by the Arab and Gulf States Liaison Office (AGL), established in 2010, and the North American Liaison Office (NAL) to strengthen relations and support from Member States of the AGL and NAL regions, respectively. In the Arab Gulf region, AGL will initiate activities aimed at constructing a more fundamental partnership in the region, and will increase cooperation and cofinancing with the region’s bilateral and multilateral institutions. In addition, in the MTP period, AGL will relocate to the Gulf region to maximize its outreach efficiency and effectiveness.
53. In 2011, IFAD looks forward to the IFAD9 negotiations, which will be critical to IFAD’s contributions to the collective goal of MDG1. The negotiations will begin with a mid-term review of IFAD8 commitments in February 2011 and will be completed in the MTP period by December 2011. They will involve discussions with current and possible new donors on the demand for IFAD’s development services and funding for 2012-2015 – the IFAD9 period.

## **XII. Strategic planning and budgeting outcomes 2010-2012**

54. To deliver on its strategic objectives and operational outputs, IFAD must be fully equipped and have adequate support services and resources at its disposal. Matching the administrative budget and human resources to the volume of work and requirements of its operations is essential if IFAD is to ensure successful development impacts and mitigate the risks that may arise from underresourced activities.
55. The attainment of IFAD’s objectives requires a robust system of multi-year rolling administrative budgeting, and a workforce plan to tailor financial and human resources directly to operational requirements. The paramount issue for strategic budgeting is to

ensure that the rapidly expanding programme of work and project portfolio receive adequate expert attention, including through adequate staff and consultancy resources, field visits and capacity development resources. These resource needs are expected to grow to ensure fiduciary and technical supervision of both the design and supervision of IFAD's work in the field. For the first time, IFAD is implementing zero-based budget<sup>8</sup> (ZBB) and strategic workforce planning<sup>9</sup> approaches to prepare its budget for 2011; to contain and reduce costs, where such opportunities are identified; and to ensure that its core operations are fully resourced.

56. The rolling three-year MTP is instrumental in linking overall resource planning to IFAD's strategic food security and agricultural development objectives. Using a zero-based approach to appraising budget allocations helps IFAD rigorously identify economies of scale, efficiencies and savings – and prune the administrative budget to squarely align resources with its core objectives. In addition to MTP, IFAD has prepared a 2011 administrative budget proposal and Strategic Workforce Plan (SWP), which together will steer financial and human resources so that IFAD can accomplish its objectives. These tools – detailed in IFAD's 2011 results-based programme of work and administrative and capital budgets, and the IFAD Office of Evaluation's results-based work programme and budget for 2011 and indicative plan for 2012-2013 and the Progress report on human resources reform, respectively – will link resource management to continuing effectiveness and efficiency planning.

### **XIII. Human resources management outcomes 2010-2012**

57. IFAD's staff is its core asset – which produces IFAD's results in collaboration with its country and international counterparts. In 2010, IFAD prepared an inventory of its current workforce and of the many types of contractual arrangements and tenures in order to enable an assessment of their suitability and productivity, incentives, performance results and costs to the organization. Taking account of the new operating model – with an emphasis on expanding IFAD's country presence and project implementation – human resources (HR) management is undergoing a reform, stipulated in the IFAD8 replenishment agreement (see annex, p. 33), that will streamline and reinforce the use of IFAD's human resources and provide a coherent framework for recruitment, deployment, retention and development of staff – and thus generate greater returns to the HR investments IFAD is making both at headquarters and in the ICOs.
58. In the Eighth Replenishment period, 2010-2012, HR reform is being fully integrated into IFAD's overall strategic planning, results and performance management, and resource allocation system (outlined more specifically in the document Update on change and reform implementation). In the context of its new cascading planning tools,<sup>10</sup> for the first time IFAD has adopted an SWP to support delivery of development impact and an expanded programme of work (detailed in the Progress report on human resources reform). The plan focuses on the need to optimize the configuration,

<sup>8</sup> Zero-based budgeting is a method of budgeting in which all expenses must be justified for each new period. ZBB starts from a 'zero base' with every function within an organization analyzed for its needs and costs. Budgets are then built around what is needed for the upcoming period, regardless of whether the budget is higher or lower than the previous one. ZBB allows top-level strategic goals to be implemented in the budgeting process by tying them to specific functional areas of the organization, where costs can first be grouped, and then measured against previous results and current expectations.

<sup>9</sup> Analogous to treasury operations concerned with guaranteeing suitable access to working capital, strategic workforce planning is an iterative business process to ensure that the organization has suitable access to talent to achieve business success, considering all potential access sources (e.g. employment, outsourcing, partnerships, and changing business activities to modify the types of talent required) and bearing in mind the skills, knowledge, predisposition and ability required to undertake activities of the organization, including its operations, decision-making and business risks.

<sup>10</sup> The IFAD Strategic Framework 2011-2015 outlines IFAD's mandate and terms of engagement; the MTP identifies the outputs and activities under the three-year corporate workplan required to achieve the targets established in the Results Measurement Framework (RMF); the ZBB allocates budget resources according to results priorities and requirements; strategic workforce planning develops and allocates workforce resources according to results priorities and requirements – within the financial parameters of the ZBB; the annual programme of work and budget authorizes resources indicated by the ZBB and SWP for delivering the MTP to achieve RMF targets; the RMF sets overall institutional objectives and performance measures; the CPPMS provides a platform for everyday performance and resource management monitoring, and the RIDE reports to the Executive Board on progress achieved against the MTP and RMF.

mobilization and management of the workforce relative to two results: (i) improving IFAD's development effectiveness; and (ii) increasing its efficiency and value for money.

59. As described in the MTP logical framework, the SWP consists of three mutually reinforcing components: (i) strategic workforce alignment to support country programming and implementation; (ii) strategic workforce management for increased efficiency and cost containment; and (iii) strengthening of the corporate framework for managing the workforce for development effectiveness and efficiency.
60. The MTP also links IFAD's efforts with specific actions under the HR reform, as well as with target outcome indicators that focus on generating diversity and equity and endowing the institution with calibrated expertise and field-based experience – to ensure that IFAD's target group receives the benefit of excellence in skills and competencies and of updated technology transfer.
61. Finally, not only acknowledging the importance of leading by example, but emphasizing the contributions of women professionals as part of improving organizational effectiveness, IFAD leads the IFI community, with women constituting 62 per cent of the total workforce (44 per cent among professional staff and 79 per cent among general service staff), 24 per cent of CPMs and 26 per cent of directors and P-5-level professionals.

#### **XIV. Financial management outcomes**

62. IFAD, as a financial institution, mobilizes, receives, programmes and channels financial resources through its loans and grants to programmes and projects to achieve its strategic and operational outcomes. It invests excess liquidity to generate income, which has become a significant additional source of resources for its operational objectives. As an IFI, IFAD's objective is to mobilize resources for agricultural development in developing Member States. In fulfilling this objective, the Fund provides financing primarily for projects and programmes designed to introduce, expand or improve food production systems and to strengthen related policies and institutions within the framework of national priorities and strategies. IFAD currently relies significantly on triennial replenishments of its financial resources by Member States. However, with increasing pressures on Members to provide financial resources for a number of competing demands, IFAD is considering accessing alternative sources of funding, including borrowing for this purpose. IFAD has traditionally offered a limited number of financial instruments to its clients, and is also considering expanding its offerings to better respond to client needs and competitive offerings.
63. IFAD's financial complex comprises: (i) CFS, responsible for managing the funds entrusted to IFAD by its Members; performing control functions and processes; recording and accounting for all financial movements; and reporting to IFAD's Member States and donors through public reports and audited financial statements on IFAD's financial operations and performance; (ii) Treasury Division, responsible for investing IFAD's capital under its Investment and Liquidity Policy and ensuring that adequate funds and cash are available for its loan and grant approvals and disbursements; and (iii) Strategic Planning and Budget Division, responsible for preparing IFAD's annual budget framework.
64. The MTP logical framework (see annex, p. 34) acknowledges the importance of IFAD's efforts to strengthen its financial management and fiduciary functions. Increased volatility in the external financial environment, the assumption by IFAD of a direct supervisory role over project implementation, expansion of its field presence, and an increased need to mobilize external funding expose IFAD to greater and more severe financial risks. Thus IFAD is taking a number of steps to upgrade and build a more robust financial management capability. To guide these improvements, IFAD has commissioned an external review of its financial operations, with the twin purposes of

- (i) building a robust and professional financial operational complex; and
  - (ii) streamlining IFAD's corporate services.
65. The emerging findings of the external review of IFAD's financial operations have pointed to a need to: (i) build a robust and professional financial operation complex; and (ii) further strengthen and streamline IFAD's corporate services. These findings have in turn triggered the establishment of a Financial Operations Department and a Corporate Services Department, effective 1 January 2011, thus consolidating financial operations under a Chief Finance Officer, and administration, information and communications technology (ICT) and HR management under a Head, Corporate Services Department.
66. In addition, CFS is contributing to building supportive frameworks for IFAD's field operations through a diversification of IFAD's lending terms, introduction of financial products better suited to the needs of its diverse clientele, and issuance of updated manuals and tools, with an eye to the financial and accounting capacities of its borrowing Member States. It is also exploring new financial and accounting structures to attract additional funding for its programme of work, including borrowing from its Members. It is envisaged that certain financial management operations will be decentralized to ICOs, leading to a reduced processing cycle for loan administration disbursements and other activities. The possibility of single currency lending is also being explored.
67. In the spirit of strengthening financial risk management and reflecting financial management best practices – and critical to IFAD's pursuit of excellence in financial operations – for the first time, in 2011 IFAD will undertake a management assertion on the effectiveness of its internal controls over financial reporting, with a corresponding external audit attestation to be completed in 2012. This will support IFAD's business objectives through sustained stakeholder confidence in financial administration and reporting controls.

## **XV. Treasury outcomes 2010-2012**

68. As IFAD has increased its programme of work, there has been a consequent need for an enhanced level of financial management to place renewed emphasis on efficient management of cash resources. Liquid resources will be managed to preserve principal, while simultaneously attempting to generate a positive return. IFAD has examined its investment and liquidity policy through an external review – in order to enhance its resource management – and through a revised policy will shift to a more dynamic asset model for managing asset liabilities.
69. Decentralization of its operations through expanded country presence requires IFAD to delegate operational aspects of its banking relationships, which calls on it to ensure that this transformation is financially sound. Finally, the financial management and resource mobilization functions work seamlessly together to facilitate IFAD's resource mobilization drive from the beginning of replenishment negotiations to the structuring, managing and servicing of the mobilized funds.

## **XVI. Information and communications technology outcomes 2010-2012**

70. In the MTP period (see annex, p. 35), IFAD will continue to optimize its ICT infrastructure to guarantee uninterrupted availability of corporate application systems and ICT services. To this end, it will continue to implement disaster recovery solutions and relocate critical business applications to business service centres (e.g. the United Nations International Computer Centre – UNICC). The primary goal is to provide fault-tolerant systems and connections that allow IFAD to continue to operate without disruption in the event of technical failure.
71. IFAD is also taking action to ensure that these systems and services are as accessible to ICO staff as they are to headquarters staff. Having ensured access and



usability, IFAD will make sure that users in ICOs are equipped with the necessary knowledge to participate effectively in corporate processes. Headquarters users will also be equipped to participate effectively in ICO processes through ICT. The primary goal in this area is to provide a secure Internet-based computing platform that effectively links headquarters with ICOs and other stakeholders in the field.

72. In parallel with ensuring access to and availability and usability of the ICT platform, IFAD will continue to implement new or enhanced application systems to support corporate business priorities and streamline administrative processes. New platforms will be implemented, including an interactive web-based platform for Member State representatives and a platform for corporate relationship management. The PeopleSoft financial platform will be upgraded and integrated with loan and grant operations. An enhanced ICT communications and collaboration platform will be provided, together with ICT support for regional knowledge networks. In addition, a number of corporate “dashboards” (desktop applets) for information analysis and reporting will be made available to managers and staff, and new applications will be developed to enhance the efficiency of administrative processes such as correspondence tracking and document production workflow.

## **XVII. Administrative services outcomes 2010-2012**

73. During the MTP period, IFAD’s Administrative Services Division (ADM) will pursue more-efficient headquarters management and an expanded country presence. To establish the 40 ICOs by 2011, ADM is setting up an administrative framework for staff operating in ICOs, including negotiation of host-agency service agreements, host country agreements in conjunction with the Office of the General Counsel (LEG), diplomatic immunities and facilities for IFAD’s ICO staff.
74. With the aim of serving IFAD’s broader objectives through excellence in building services, ADM is exploring opportunities through outsourcing, development of joint services with the R3 agencies and standardization of support activities. ADM is preparing a corporate security and safety strategy for headquarters and the ICOs; moving to automated identity documents in collaboration with the host government, Italy; analysing the possibility of outsourcing insurance claims; reviewing workflows and efficiencies in record management; and updating administrative policies and procedures by introducing automation, where possible, to improve user access to and querying of the system. To achieve economies of scale in its administrative services, IFAD champions collaboration with the R3 agencies in the areas of procurement, travel, data backup and financial custodian services. To offer an optimal working environment for IFAD staff, ADM monitors energy consumption and carbon imprint, paper consumption, and maintenance of a “green building” certificate.

## **XVIII. Governing bodies outcomes 2010-2012**

### **A. Outcomes of the Office of the Secretary**

75. The Office of the Secretary (SEC) fulfils a dual role of supporting IFAD governance – by promoting effective relationships between the Fund and its Member States in the governing bodies (the Governing Council and Executive Board, including their committees and working groups) – and maintaining and promoting the Fund’s diplomatic relations. Specifically, it fulfils these core responsibilities by: (i) servicing IFAD’s governing bodies, be they formal or informal; (ii) maintaining and enhancing the institutional relationship with the Fund’s current and potential Member States, conducting appropriate institutional dialogue with the broader membership between sessions, and reviewing and enhancing governance practices; and (iii) supporting the Fund’s institutional image by providing appropriate protocol arrangements. In addition, SEC ensures that efficient editing, translation and interpretation services make IFAD’s documentation and communication clear and accessible to all Member States.

76. During the MTP period (see annex, p. 37), SEC will continue to provide the aforementioned services, including quality control of IFAD's work, in the context of an increased programme of work. This increase will of course bring with it an increase in the number and length of governing body meetings and their associated documentation.

## **B. Outcomes of the Office of the General Counsel**

77. The Office of the General Counsel safeguards IFAD's interests and contributes to the work of the governing bodies and of IFAD's operational units in achieving IFAD's strategic objectives through strengthening of the rule of law in all of IFAD's operations, and through the promotion of innovative legal tools and services responsive to the organization's needs. In the context of the dynamic conditions that affect IFAD's daily work, LEG has a responsibility to ensure that IFAD adheres to the highest standards of integrity and transparency, most importantly in its management of human resources.
78. The activities of LEG help ensure that all of IFAD's operations comply with the Agreement Establishing IFAD, the rules and procedures of the governing bodies and other relevant laws and obligations. In addition, and particularly with respect to the expansion of IFAD's country presence and partnerships, LEG proposes new legal frameworks and instruments. This work also facilitates resource mobilization, programme and project approvals, and IFAD's capacity to respond to global events.

## **XIX. Achieving and measuring MTP outcomes and results**

79. The MTP correlates IFAD's targeted results with the Corporate Management Results Framework, which is applied across the organization. Table 3 depicts the structure of corporate management results (CMRs), which emphasize IFAD's field-based programme of work under CMRs 1-3 and programme support operations under CMRs 4-9. IFAD's CMR Framework aligns with international best practice in managing for development, which focuses on achieving the MDGs and incorporates the objectives agreed by the High-level Forum on Aid Effectiveness in Paris in 2005, as reinforced in Accra in 2008. It is also taken into consideration by IOE in the effort to coordinate results measurement coherently with IFAD Management.
80. Since 2006, IFAD has been implementing a results-based divisional and departmental quality control and performance planning, monitoring and management system, again on the basis of the CMR Framework, which further embedded a culture of results-orientation in the organization's work ethic. This has helped divisions focus on IFAD's core business in enhancing and deepening its development impact for smallholder agriculture and concurrently mitigating the risks of poor performance at all levels. Performance plans have been structured and managed in terms of achievement of IFAD's MTP, enabling the nurturing of performance to a greater and more productive level, with continuous feedback to staff and divisions.

Table 3  
**Results and process matrix for results-based budgeting in IFAD**

<i>Cluster</i>	<i>Outcome</i>	<i>Corporate management result</i>	<i>Process</i>
<b>Operational</b>			
1	Effective national policy, harmonization, programming, institutional and investment frameworks for rural poverty reduction	CMR 1 – Better country programme management CMR 2 – Better project design (loans and grants) CMR 3 – Better supervision and implementation support	Country programme development and implementation
2	Supportive global resource mobilization and policy framework for rural poverty reduction	CMR 8 – Better inputs into global policy dialogues for rural poverty reduction CMR 10 – Increased mobilization of resources for rural poverty reduction	High-level policy dialogue, resource mobilization and strategic communication
<b>Institutional support</b>			
3	An effective and efficient management and institutional service platform at headquarters and in-country for achievement of operational results	CMR 4 – Better financial resource management CMR 5 – Better HR management CMR 6 – Better results and risk management CMR 7 – Better administrative efficiency and an enabling work and ICT environment	Corporate management, reform and administration
4	IFAD's governing bodies function effectively and efficiently	CMR 9 – Effective and efficient platform for Members' governance of IFAD	Support to Members' governance activities

81. To specify IFAD's progress under CMRs 1-3, which relate to core IFAD operations that directly engage with smallholder communities in developing countries, IFAD has revised the RMF for its programme of work for the MTP period 2010-2012. This approach characterizes IFAD as a learning institution that is "managing for development results" throughout the organization. MTP coordinates its success measures with the RMF cascading structure of indicators, which in turn are aligned with the reporting instruments of other IFIs.
82. The revised RMF measures field-based performance and links with the CMRs, which in turn focus on IFAD's progress in developing itself as an effective institution. With adoption of the revised RMF, IFAD has equipped itself with a compact set of decision-making and accountability instruments, providing a sound basis for accounting for the scarce and valued resources entrusted to IFAD – to be turned into development goods and services through the PBAS.

## **XX. Responding to risk in the MTP period 2010-2012**

85. The MTP identifies risks to the Fund's operations at all levels. IFAD manages risk using a Corporate Risk Profile, which identifies corporate risks in all functional areas, establishing accountabilities for tracking and recording. The Enterprise Risk Management Committee (ERMC) reports on key risk issues, solutions and performance in mitigation on a quarterly basis to Management and the Audit Committee, and annually to the Executive Board. Risk management has been further enhanced by the designation of focal points for risk, with reporting roles in quarterly performance conversations and to the ERMC.
86. With specific attention to financial risks in the MTP period, IFAD is implementing an industry-standard audit attestation to the adequacy of internal controls in financial reporting, beginning with a readiness assessment in 2011, which would lead to full attestation in 2012.
87. The Office of Audit and Oversight (AUO) provides independent, objective assurance and advisory services designed to add value and improve operations. It helps IFAD accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes. AUO also reviews and investigates possible or alleged irregular practices, including staff misconduct, fraud and corruption in IFAD activities, and

actively promotes ethics, accountability, quality and continuous improvement in IFAD operations. AUO is committed to strengthening organizational effectiveness by directing its efforts to areas where it can add value by undertaking investigations and oversight functions. Organizational effectiveness entails efficiently managing the IFAD budget, human resources and internal processes, as well as fostering a culture of accountability and integrity in IFAD activities and operations. The pursuit of institutional goals will be the guiding priority for AUO in shaping its annual plan by considering the priorities of Senior Management, the risks outlined through enterprise risk management efforts, and other relevant factors.

88. IFAD is responding to risks to its staff and facilities in the Business Continuity Road Map and in the Security Strategy, which incorporates IFAD's security and risk assessments for its facilities at headquarters and in ICOs. The Road Map engages critical personnel under a framework for the prudent safeguarding of data and financial assets, safety of staff and rapid resumption of operational workflows in case of disruption.

# Medium-term Plan: logical framework 2010-2012

## IFAD STRATEGIC OUTCOMES 2010-2012

Strategic outcomes	Measures of success and sources of verification	Performance projections	Risks and assumptions
<p>Increased incomes and enhanced food security for poor rural women and men</p>	<p><b>IFAD contributes to:</b></p> <ul style="list-style-type: none"> <li>• Increasing incomes</li> <li>• Improving food security</li> <li>• Empowering poor rural women and men, i.e. increasing number of rural households moving from subsistence to profitable agriculture production</li> <li>• Reducing levels of ecosystem degradation</li> <li>• Raising number of targeted rural households reporting increased incomes from off-farm activities</li> </ul> <p><b>Verification:</b> World bank and United Nations data; ARRI<sup>1</sup></p>	<p>Guided by the IFAD Strategic Framework 2011-2015, IFAD works with poor rural women and men to develop locally specific opportunities by ensuring that poor rural people have better access to, and the skills and organization they need to take advantage of:</p> <ul style="list-style-type: none"> <li>▪ Natural resources, especially secure access to land and water, and improved natural resource management and sustainable agriculture practices</li> <li>▪ Improved agricultural technologies and effective production services to enhance productivity</li> <li>▪ A broad range of financial services for production and smallholder productivity</li> <li>▪ Transparent and competitive markets for agricultural inputs and produce to enable integration into national and international value chains</li> <li>▪ Opportunities for rural off-farm employment and enterprise development that can be profitably exploited</li> <li>▪ Local and national policy and programming processes for effective participation of poor rural women and men</li> <li>▪ Improved policy framework and environments for smallholder development at both national and regional levels</li> <li>▪ Strengthened in-country capacities for agricultural and rural development</li> </ul>	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>▪ Global economic crisis continues to affect smallholder agriculture</li> <li>▪ Input price volatilities (e.g. fuel and food) exacerbate smallholder investment risk</li> <li>▪ Environmental degradation, including climate change and weather risks, negatively impact smallholder production</li> </ul> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>▪ Adequate aid funding and effective donor coordination – global commitment to Paris Declaration on Aid Effectiveness and Accra Agenda</li> <li>▪ IFAD replenishment contributions at \$1.2 bn<sup>2</sup> to expand programme of work to \$3 bn for 2010-2012</li> <li>▪ Ratio of cofinancing to own resources: 1:1.5. Total volume of cofinancing \$4.5 bn</li> <li>▪ Supplementary cofinancing of \$48.5 mn<sup>3</sup></li> </ul>

**Notes:**  
The logical framework of the IFAD Medium-term Plan 2010-2012 provides a tabulation of IFAD’s corporate goals, outcomes, outputs and activities with resources, including human and financial inputs. The logical framework is intended to be read together with the main text of this report to ensure that the reader benefits from the context within which the divisions implement planned activities and attain their set objectives.

The amounts included in the resource inputs 2010-2012 column are indicative and are based on an initial high-level review of projected divisional resource needs under IFAD’s administrative budget. Consequently, they should not be considered actual expenditure amounts. For 2010, the budget figures represent budgeted amounts; for 2011 and 2012 they represent projections and forecasts, respectively. Transfers of budgetary resources among divisions within the same department are expected to occur during the finalization of the 2011 departmental and divisional work plans.

24 The aggregate of divisional budgetary resources displayed in the resource inputs 2010-2012 column do not sum back to the overall cluster totals on page 26. This is because only divisions primarily involved in the achievement of the outputs of the clusters are included, while resource inputs for divisions supporting multidivisional activities cannot be clearly presented in the logical framework structure.

The resource inputs 2010-2012 finance workforce full-time equivalents (FTEs) as well as non-staff costs. One FTE corresponds to the equivalent of a full staff year. The total of FTEs for divisional submissions is comprised of regular staff with continuing and fixed-term contracts and temporary staff. Consultants have been identified separately.

<sup>1</sup> ARRI: Annual Report on Results and Impact of IFAD Operations.  
<sup>2</sup> bn: billion.  
<sup>3</sup> mn: million.

**IFAD OPERATIONAL OUTCOMES 2010-2012**

Operational outcomes	Measures of success and sources of verification	Work programme projections Country programme and project outputs (Level 3)	Resource inputs 2010-2012	Risks and assumptions																																																																																																	
<p><b>Beneficiaries:</b></p> <p><b>People receiving services from IFAD-supported projects</b></p> <ul style="list-style-type: none"> <li>People benefiting from IFAD assistance, with gender focus</li> </ul> <p><b>Thematic Areas:</b></p> <p><b>Natural resource management</b></p> <ul style="list-style-type: none"> <li>Improved access to land and water resources</li> <li>Area impacted by constructed irrigation</li> </ul> <p><b>Agricultural technologies</b></p> <ul style="list-style-type: none"> <li>Increase in use of sustainable agriculture approaches and reduction in land and sea degradation</li> <li>Improved access to agricultural technology, know-how and efficient production services</li> </ul> <p><b>Rural financial services</b></p> <ul style="list-style-type: none"> <li>Improved access to financial services and savings instruments</li> <li>Broad range of financial services and savings instruments</li> </ul> <p><b>Market Access</b></p> <ul style="list-style-type: none"> <li>Improved access to markets: transparent, competitive, functioning and efficient markets for agricultural inputs and produce</li> </ul> <p><b>Rural Microenterprise</b></p> <ul style="list-style-type: none"> <li>Opportunities for rural, off-farm employment and enterprise development</li> <li>Enhanced private-sector capacity and investment in rural economy</li> </ul> <p><b>Policies and institutions</b></p> <ul style="list-style-type: none"> <li>Strengthened organizations and institutions supporting interests of poor rural people</li> <li>Enabling local and national policies</li> <li>Improved capacity for programme development and implementation (government, NGO, private sector)</li> </ul>	<p><b>People receiving services from IFAD-supported projects</b> 2007: 29.2 mn      2012: 60 mn Male/female ratio (%)    2007: 57:43      2012: 50:50</p> <p><b>Natural-resource management</b> Common-property resource and under improved management practices (ha)    2008: 3.86 mn    Tracked Area under constructed/rehabilitated irrigation schemes (ha) 2008: 470,000    Tracked</p> <p><b>Agricultural technologies</b> People trained in crop production practices/technologies 2008: 1.72 mn    Tracked Male/female ratio (%)    50:50 People trained in livestock production practices/technologies 2008: 1.07 mn    Tracked Male/female ratio (%)    35:65</p> <p><b>Rural financial services</b> Active borrowers    2008: 4.35 mn    Tracked Male/female ratio (%)    52:48 Voluntary savers    2008: 5.44 mn    Tracked Male/female ratio (%)    51:49</p> <p><b>Market Access</b> Roads constructed/rehabilitated (km)    2008: 15,000    Tracked Marketing groups formed/strengthened    2008: 25,000    Tracked</p> <p><b>Rural Microenterprise</b> People trained in business and entrepreneurship 2008: 162,000    Tracked Male/female ratio (%)    53:47 Enterprises accessing facilitated non-financial services 2008: 19,000    Tracked</p> <p><b>Policies and institutions</b> People trained in community management topics 2008: 672,000    Tracked Male/female ratio (%)    38:62 Village/community action plans prepared 2008: 24,000 IFAD country presence expanded to 40 countries Baseline 2009 (actual): 25 countries <b>Verification:</b> Annual RIDE<sup>15</sup>; RIMS<sup>16</sup></p>	<p><b>Asia and the Pacific Region:</b></p> <ul style="list-style-type: none"> <li>6 COSOPs</li> <li>\$971 mn in loan and country grant approvals</li> <li>\$480 mn disbursement under ongoing portfolio</li> </ul> <p><b>East and Southern Africa Region:</b></p> <ul style="list-style-type: none"> <li>2 COSOPs</li> <li>\$659 mn in loan and country grant approvals</li> <li>\$320 mn disbursement under ongoing portfolio</li> </ul> <p><b>Latin America and the Caribbean Region:</b></p> <ul style="list-style-type: none"> <li>2 COSOPs</li> <li>\$313 mn in loan and country grant approvals</li> <li>\$196 mn disbursement under ongoing portfolio</li> </ul> <p><b>Near East and North Africa Region:</b></p> <ul style="list-style-type: none"> <li>2 COSOPs</li> <li>\$363 mn in loan and country grant approvals</li> <li>\$255 mn disbursement under ongoing portfolio</li> </ul> <p><b>West and Central Africa Region:</b></p> <ul style="list-style-type: none"> <li>11 COSOPs</li> <li>\$547 mn in loan and country grant approvals</li> <li>\$285 mn disbursement under ongoing portfolio</li> </ul> <p><b>Global/regional programmes:</b></p> <ul style="list-style-type: none"> <li>\$189 mn in global and regional grant approvals, including small grants</li> </ul> <p><b>Knowledge management and innovation (KMI)</b></p> <ul style="list-style-type: none"> <li>Integrated KMI agenda – mainstreaming KMI into IFAD’s core business</li> </ul> <p><b>Policy dialogue:</b></p> <ul style="list-style-type: none"> <li>IFAD Strategic Framework 2011-2015</li> <li>Rural Poverty Report – IFAD flagship publication</li> <li>Focused IFAD global-, regional- and national-level policy dialogue</li> </ul>	<p><b>Zero-Based Budget (\$ mn) *</b></p> <p><b>2010 - 2012</b></p> <table border="1"> <thead> <tr> <th></th> <th>Cluster 1</th> <th>Cluster 2</th> <th>Cluster 3</th> <th>Cluster 4</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td><b>CDS</b><sup>14</sup></td> <td>1.18</td> <td>6.76</td> <td>-</td> <td>1.17</td> <td>9.11</td> </tr> <tr> <td><b>CSSG</b><sup>17</sup></td> <td>9.75</td> <td>20.00</td> <td>24.37</td> <td>28.93</td> <td>83.05</td> </tr> <tr> <td><b>FAD</b><sup>18</sup></td> <td>6.81</td> <td>0.75</td> <td>71.49</td> <td>0.87</td> <td>79.92</td> </tr> <tr> <td><b>PMD</b><sup>19</sup></td> <td>237.82</td> <td></td> <td></td> <td></td> <td>237.82</td> </tr> <tr> <td><b>OPV</b><sup>20</sup></td> <td>2.47</td> <td>2.91</td> <td>3.20</td> <td>1.76</td> <td>10.34</td> </tr> <tr> <td><b>Total</b></td> <td>258.03</td> <td>30.42</td> <td>99.06</td> <td>32.73</td> <td>420.24</td> </tr> </tbody> </table> <p>* IFAD Administrative budget only (excluding corporate cost centre) for 2010-2012 period on a cumulative basis.</p> <p>Cluster 1 – Country programme development and implementation Cluster 2 – High-level policy dialogue, resource mobilization and strategic communication Cluster 3 – Corporate management, reform and administration Cluster 4 – Support to Members’ governance activities</p> <p><b>Strategic Work Plan (Staff - Fixed Term Equivalent) *</b></p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">2010 Actual</th> <th colspan="2">**2011 Projection</th> <th colspan="2">2012 Forecast</th> </tr> <tr> <th>P<sup>21</sup></th> <th>GS<sup>22</sup></th> <th>P</th> <th>GS</th> <th>P</th> <th>GS</th> </tr> </thead> <tbody> <tr> <td><b>CDS</b></td> <td>8.00</td> <td>2.00</td> <td>8.00</td> <td>2.00</td> <td>8.50</td> <td>2.00</td> </tr> <tr> <td><b>CSSG</b></td> <td>63.90</td> <td>72.40</td> <td>64.90</td> <td>72.40</td> <td>65.00</td> <td>73.00</td> </tr> <tr> <td><b>FAD</b></td> <td>45.00</td> <td>67.86</td> <td>49.00</td> <td>67.86</td> <td>50.00</td> <td>68.00</td> </tr> <tr> <td><b>PMD</b></td> <td>126.20</td> <td>75.30</td> <td>171.70</td> <td>100.30</td> <td>185.00</td> <td>105.00</td> </tr> <tr> <td><b>OPV</b></td> <td>5.00</td> <td>4.00</td> <td>5.25</td> <td>5.00</td> <td>6.00</td> <td>5.00</td> </tr> <tr> <td><b>Total</b></td> <td>248.10</td> <td>221.56</td> <td>298.85</td> <td>247.56</td> <td>314.50</td> <td>253.00</td> </tr> </tbody> </table> <p>* IFAD Administrative budget only. Staff projection is indicative and subject to change as the staff plan for 2011 is finalized. ** 2011 FTEs include 66.50 FTEs for locally recruited field staff that were not budgeted for in 2010, which are comprised 41.5 professional and 25 General Service staff.</p>		Cluster 1	Cluster 2	Cluster 3	Cluster 4	Total	<b>CDS</b> <sup>14</sup>	1.18	6.76	-	1.17	9.11	<b>CSSG</b> <sup>17</sup>	9.75	20.00	24.37	28.93	83.05	<b>FAD</b> <sup>18</sup>	6.81	0.75	71.49	0.87	79.92	<b>PMD</b> <sup>19</sup>	237.82				237.82	<b>OPV</b> <sup>20</sup>	2.47	2.91	3.20	1.76	10.34	<b>Total</b>	258.03	30.42	99.06	32.73	420.24		2010 Actual		**2011 Projection		2012 Forecast		P <sup>21</sup>	GS <sup>22</sup>	P	GS	P	GS	<b>CDS</b>	8.00	2.00	8.00	2.00	8.50	2.00	<b>CSSG</b>	63.90	72.40	64.90	72.40	65.00	73.00	<b>FAD</b>	45.00	67.86	49.00	67.86	50.00	68.00	<b>PMD</b>	126.20	75.30	171.70	100.30	185.00	105.00	<b>OPV</b>	5.00	4.00	5.25	5.00	6.00	5.00	<b>Total</b>	248.10	221.56	298.85	247.56	314.50	253.00	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>Volatile political situations and absorptive capacity in fragile states</li> <li>Government policies unsupportive of objectives of aid-funded interventions</li> <li>External challenges to IFAD’s resource Management</li> <li>Natural calamities</li> </ul> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>Delivery of \$4.5 bn IFAD investment (\$3 bn IFAD resources and \$1.5 bn cofinancing from all sources)</li> <li>Improved country programme sustainability</li> <li>Improved financial resource mobilization and management</li> <li>Improved HR management enterprise risk management mainstreamed</li> <li>Improved administrative efficiency</li> <li>Strengthened support to programme and project implementation</li> </ul>
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<sup>14</sup> CDS: Office of the Chief Development Strategist  
<sup>15</sup> RIDE: Report on IFAD’s Development Effectiveness.  
<sup>16</sup> RIMS: Results and Impact Management System.  
<sup>17</sup> CSSG: Corporate Services Support Group  
- Arab and Gulf States Liaison Office (AGL)  
- Office of Audit and Oversight (AUO)  
- Communications Division (COM)  
- Human Resources Division (HRD)  
- North America Liaison Office (NAL)  
- Office of the General Counsel (LEG)  
- Office of the Secretary (SEC)  
- Strategic and Budget Planning Division (SPB)

<sup>18</sup> FAD: Finance and Administration Department  
<sup>19</sup> PMD: Programme Management Department  
<sup>20</sup> OPV: Office of the President and Vice President  
<sup>21</sup> P: Professional staff  
<sup>22</sup> GS

IFAD COUNTRY STRATEGIC OPPORTUNITIES PROGRAMME (COSOP) AND PROJECT OUTCOMES 2010-2012 – REGIONAL DIVISIONS - CLUSTER 1

Operational outputs	Measures of success and sources of verification	Work programme projections (loans/DSF grants) <sup>23</sup>			Resource inputs 2010-2012				Risks and assumptions																												
		2010	2011 <sup>24</sup>	2012																																	
<p><b>Programme Management Department (PMD):</b></p> <ul style="list-style-type: none"> <li>High-quality in-country strategies designed and implemented, with their relevance regularly assessed</li> <li>Design and approval of new, high-quality loan- and grant-funded operations</li> <li>On-going portfolio of loan and grant-funded projects efficiently supervised and effective and sustainable development results delivered</li> </ul>	<p><b>Level 2</b></p> <p><b>Better country programme and project management, measured by:</b></p> <p><b>Percentage of country programmes rated marginally satisfactory or better at completion for:</b></p> <ul style="list-style-type: none"> <li>Contribution to increasing incomes, improving food security, and empowering poor rural women and men: From IFAD Office of Evaluation (ARRI) 2007: 69% 2012: 80%</li> <li>Percentage of projects rated moderately satisfactory or better at completion by IFAD Office of Evaluation (ARRI) and IFAD Management (PCR<sup>25</sup>)</li> <li>Effectiveness: ARRI 2008: 82% 2012: 90% PCR 2008: 87% 2012: 90%</li> <li>Rural Poverty Report: ARRI 2008: 91% 2012: 90% PCR 2008: 83% 2012: 90%</li> <li>Gender equality (ARRI does not reflect separately on gender equality) PCR 2008-09: 78% 2012: 80%</li> <li>Innovation, learning and/or scaling up ARRI 2008: 100% 2012: 80% PCR 2008: 71% 2012: 75%</li> <li>Sustainability of benefits ARRI 2008: 73% 2012: 75% PCR 2008: 75% 2012: 75%</li> <li>Relevance ARRI 2008: 91% 2012: 90% PCR 2008: 94% 2012: 90%</li> <li>Efficiency ARRI 2008: 55% 2012: 75% PCR 2008: 65% 2012: 75%</li> <li>Adherence to aid effectiveness agenda From Client survey 2008: 96% 2012: 90%</li> </ul> <p><b>Level 4</b></p> <p><b>Percentage of projects rated 4 or better at entry for:</b></p> <ul style="list-style-type: none"> <li>Effectiveness From QA at entry: 2008: 100% 2012: 90%</li> <li>Rural poverty impact on the target group (e.g. through physical and financial assets, food security, empowerment) From QA at entry: 2008: 84% 2012: 90%</li> <li>Sustainability of benefits From QA at entry: 2008: 81% 2012: 90%</li> <li>Gender equity: 2008: 90% 2012: 90%</li> <li>Innovation, learning and/or scaling up From QA at entry: 2008: 86% 2012: 90%</li> </ul> <ul style="list-style-type: none"> <li>Percentage of ongoing projects actually receiving international cofinancing From PPMS<sup>26</sup> June 2009 2008: 61% 2012: 65%</li> <li>Average time (months) from project approval to first disbursement From PPMS June 2009 2008: 20 2012: 14</li> <li>Percentage of problem projects in which major corrective actions are taken (proactivity index) From divisional PPR<sup>19</sup> 2008 2008: 60% 2012: 75%</li> <li>Percentage of projects for which IFAD performance is rated 4 or better From ARRI 2009 2008: 64% 2012: 75%</li> <li>Percentage of problem projects in ongoing portfolio From PPMS June 2009 2008: 19% 2012: 15%</li> <li>Percentage of time overruns for ongoing projects PPMS 2009 2008: 22% 2012: 20%</li> <li>Average days for processing withdrawal applications WATS<sup>20</sup> 1 July 2009-30 June 2010 (1<sup>st</sup> completed year of WATS operation) 2008: 43 days 2012: 31 days</li> </ul>	<p><b>ASIA AND THE PACIFIC REGION: 6 COSOPs</b></p> <p>Bangladesh, China, Central Asia, Pacific, Lao PDR, India</p> <p><b>Programme of loans and grants being worked on: \$971 mn</b></p> <p>\$207 mn: Bangladesh, Papua New Guinea, Viet Nam, Pakistan, Solomon Islands, Indonesia, Mongolia, Vietnam</p> <p>\$417 mn: India, Nepal, Tajikistan, Bangladesh, China, Kyrgyzstan, Sri Lanka, Samoa, Timor L'Este, Cambodia, Indonesia, Philippines, Pakistan</p> <p>\$347 mn: China, India, Indonesia, Maldives, Myanmar, Philippines, Afghanistan, Lao PDR, Kiribati, Tonga</p> <p><b>Loan and grant disbursements</b></p> <p>\$150 mn disbursed \$160 mn disbursed \$170 mn disbursed</p>			<p><b>ASIA AND THE PACIFIC REGION</b></p> <table border="1"> <thead> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate<sup>27</sup></th> </tr> </thead> <tbody> <tr> <td><b>Zero Based Budget - 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		<p><b>EAST AND SOUTHERN AFRICA REGION: 2 COSOPs</b></p> <p>Mozambique, Uganda</p> <p><b>Programme of loans and grants being worked on: \$659 mn</b></p> <p>\$266 mn: Burundi, Eritrea, Uganda, Mozambique, Botswana, Kenya, Uganda, United Republic of Tanzania</p> <p>\$296 mn: Lesotho, South Africa, Madagascar, Eritrea, Uganda, Zambia, Rwanda, Swaziland, Malawi, Comoros, Ethiopia, Kenya, Madagascar</p> <p>\$97 mn: Madagascar, Mozambique, Malawi, Angola, Mauritius, Ethiopia</p> <p><b>Loan and grant disbursements</b></p> <p>\$100 mn disbursed \$105 mn disbursed \$115 mn disbursed</p>			<p><b>EAST AND SOUTHERN AFRICA REGION</b></p> <table border="1"> <thead> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate<sup>27</sup></th> </tr> </thead> <tbody> <tr> <td><b>Zero Based Budget - \$ mn</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cluster 1</td> <td>13.18</td> <td>14.8</td> <td>16.27</td> </tr> <tr> <td colspan="4"><b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b></td> </tr> <tr> <td>Professional Staff</td> <td>29.0</td> <td>34.8</td> <td>37.0</td> </tr> <tr> <td>General Service Staff</td> <td>29.0</td> <td>29.0</td> <td>29.0</td> </tr> <tr> <td>Consultants</td> <td>27.3</td> <td>28.0</td> <td>28.0</td> </tr> </tbody> </table>					2010 realigned budget	2011 Projection	2012 Estimate <sup>27</sup>	<b>Zero Based Budget - \$ mn</b>				Cluster 1	13.18	14.8	16.27	<b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b>				Professional Staff	29.0	34.8	37.0	General Service Staff	29.0	29.0	29.0	Consultants	27.3	28.0	28.0	
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<p><b>LATIN AMERICA AND THE CARIBBEAN REGION: 2 COSOPs</b></p> <p>Dominican Republic Honduras</p> <p><b>Programme of loans and grants being worked on: \$313 mn</b></p> <p>\$70 mn: Dominican Republic, Guatemala, Honduras, El Salvador, Nicaragua, Grenada,</p> <p>\$176 mn: Bolivia (Plurinational State of), Ecuador, Honduras, Mexico, Panama, Venezuela (Bolivarian Republic of), Haiti, Jamaica, Argentina, Paraguay, Peru, Brazil, Guyana, Suriname</p> <p>\$67 mn: Brazil, Colombia</p> <p><b>Loan and grant disbursements</b></p> <p>\$60 mn disbursed \$66 mn disbursed \$70 mn disbursed</p>			<p><b>LATIN AMERICA AND THE CARIBBEAN REGION</b></p> <table border="1"> <thead> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate<sup>27</sup></th> </tr> </thead> <tbody> <tr> <td><b>Zero Based Budget - \$ mn</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cluster 1</td> <td>10.29</td> <td>11.01</td> <td>12.12</td> </tr> <tr> <td colspan="4"><b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b></td> </tr> <tr> <td>Professional Staff</td> <td>15.0</td> <td>21.0</td> <td>22.5</td> </tr> <tr> <td>General Service Staff</td> <td>14.0</td> <td>14.0</td> <td>14.0</td> </tr> <tr> <td>Consultants</td> <td>28.0</td> <td>28.0</td> <td>28.0</td> </tr> </tbody> </table>					2010 realigned budget	2011 Projection	2012 Estimate <sup>27</sup>	<b>Zero Based Budget - \$ mn</b>				Cluster 1	10.29	11.01	12.12	<b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b>				Professional Staff	15.0	21.0	22.5	General Service Staff	14.0	14.0	14.0	Consultants	28.0	28.0	28.0			
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<p><b>NEAR EAST AND NORTH AFRICA REGION: 2 COSOPs</b></p> <p>Azerbaijan Egypt</p> <p><b>Programme of loans and grants being worked on: \$363 mn</b></p> <p>\$126 mn: Yemen, Armenia, Sudan, Syrian Arab Republic, Morocco, Yemen, Djibouti, Republic of Moldova, Sudan</p> <p>\$147 mn: Azerbaijan, Yemen, Sudan, Georgia, Egypt, Bosnia and Herzegovina, Morocco, Fragile situations: Iraq</p> <p>\$90 Lebanon, Turkey, Albania, Tunisia, Egypt</p> <p><b>Loan and grant disbursements</b></p> <p>\$80 mn disbursed \$85 mn disbursed \$90 mn disbursed</p>			<p><b>NEAR EAST AND NORTH AFRICA REGION</b></p> <table border="1"> <thead> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate<sup>27</sup></th> </tr> </thead> <tbody> <tr> <td><b>Zero Based Budget - \$ mn</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cluster 1</td> <td>10.22</td> <td>10.58</td> <td>11.64</td> </tr> <tr> <td colspan="4"><b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b></td> </tr> <tr> <td>Professional Staff</td> <td>22.0</td> <td>25.0</td> <td>25.0</td> </tr> <tr> <td>General Service Staff</td> <td>13.0</td> <td>13.0</td> <td>13.0</td> </tr> <tr> <td>Consultants</td> <td>28.0</td> <td>30.0</td> <td>30.0</td> </tr> </tbody> </table>					2010 realigned budget	2011 Projection	2012 Estimate <sup>27</sup>	<b>Zero Based Budget - \$ mn</b>				Cluster 1	10.22	10.58	11.64	<b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b>				Professional Staff	22.0	25.0	25.0	General Service Staff	13.0	13.0	13.0	Consultants	28.0	30.0	30.0			
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<p><b>WEST AND CENTRAL AFRICA REGION: 11 COSOPs</b></p> <p>Nigeria, Sierra Leone, Côte d'Ivoire, Senegal Benin, Democratic Republic of the Congo, Niger, Liberia Burkina Faso, Cameroon, Ghana</p> <p><b>Programme of loans and grants being worked on: \$547 mn</b></p> <p>\$150 mn: Cameroon, Ghana, Guinea, Nigeria, Mali, Togo, Chad, Sierra Leone, Niger, Sao Tome and Principe</p> <p>\$194 mn: Central African Republic, Senegal, Mauritania, Burkina Faso, Côte d'Ivoire, Congo, Niger, Liberia, Ghana</p> <p>\$202 mn: Nigeria, Gambia, Benin, Cape Verde, Democratic Republic of the Congo, Guinea-Bissau, Guinea</p> <p><b>Loan and grant disbursements</b></p> <p>\$70 mn disbursed \$100 mn disbursed \$115 mn disbursed</p>			<p><b>WEST AND CENTRAL AFRICA REGION</b></p> <table border="1"> <thead> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate<sup>27</sup></th> </tr> </thead> <tbody> <tr> <td><b>Zero Based Budget - \$ mn</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cluster 1</td> <td>13.21</td> <td>13.88</td> <td>15.27</td> </tr> <tr> <td colspan="4"><b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b></td> </tr> <tr> <td>Professional Staff</td> <td>22.0</td> <td>28.0</td> <td>30.0</td> </tr> <tr> <td>General Service Staff</td> <td>23.0</td> <td>23.0</td> <td>23.0</td> </tr> <tr> <td>Consultants</td> <td>26.8</td> <td>27.0</td> <td>27.0</td> </tr> </tbody> </table> <p>* Actual workforce across all funding sources. Staff projection is indicative and subject to change as the staffing plan for 2011 is finalised.</p> <p>Cluster 1 – Country programme development and implementation</p>					2010 realigned budget	2011 Projection	2012 Estimate <sup>27</sup>	<b>Zero Based Budget - \$ mn</b>				Cluster 1	13.21	13.88	15.27	<b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b>				Professional Staff	22.0	28.0	30.0	General Service Staff	23.0	23.0	23.0	Consultants	26.8	27.0	27.0			
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<sup>23</sup> Excludes global/regional grants (regional grants reported under PTA). Final amounts will be consistent with PBAS allocations

<sup>24</sup> Projections as of 4 November 2010. Excludes grants/loans financed through Swedish complementary contribution (Guinea Bissau \$1.05mn, Mali \$1.05mn, Zambia \$1.0 mn, Bhutan \$2 mn, Sudan \$2.01mn)

<sup>25</sup> PCR: Project/Programme Completion Report.

<sup>26</sup> PPMS: Project Portfolio Management System

<sup>27</sup> Estimates may be subject to change depending on work programme deliverables

<sup>28</sup> PBAS: Performance-Based Allocation System

<sup>29</sup> OSC: Operational Strategy and Policy Guidance Committee

<sup>30</sup> QE: Quality Enhancement

<sup>31</sup> QA: Quality Assurance

IFAD COUNTRY STRATEGIC OPPORTUNITIES PROGRAMME (COSOP) AND PROJECT OUTCOMES 2010-2012 (CONT'D) – CROSS-CUTTING DIVISIONS - CLUSTER 1

Operational outputs	Measures of success and sources of verification	Work programme projections			Resource inputs 2010-2012	Risks and assumptions																																				
		2010	2011	2012																																						
<p><b>Policy and Technical Advisory Division (PTA)</b></p> <ul style="list-style-type: none"> <li>Design and approval of new, high-quality global and regional grant-funded operations</li> <li>High-quality implementation of and learning from global and regional grant-funded operations</li> <li>Design and approval of new, high-quality COSOPs</li> <li>Design and approval of new, high-quality loans and DSF grant projects</li> <li>High-quality knowledge products for technical and policy support</li> </ul>	<p><b>Better grant project design measured by:</b></p> <ul style="list-style-type: none"> <li>No. of technical reviews of large grants (from Grants QE minutes, COSOPs, – loan, DSF and GEF projects)</li> <li>No. of technical reviews of small grants (incl. suppl. funds) (from Grants Consolidated Tracking sheet)</li> <li>No. of global and regional grants approved</li> <li>No. of financing agreements entered into with CGIAR<sup>32</sup> centres</li> <li>No. of financing agreements entered into with FFR<sup>33</sup> grant recipients</li> <li>No. of design missions</li> </ul> <p><b>Better implementation for and learning from large global/regional grants:</b></p> <ul style="list-style-type: none"> <li>Percentage of projects rated 4 or better for overall implementation progress</li> </ul> <p><b>Better project design (loans &amp; DSF grants) measured by:</b></p> <ul style="list-style-type: none"> <li>Number of QE reviews completed - COSOPs</li> <li>Number of QE reviews completed – loan, DSF and GEF projects</li> <li>Number of design missions</li> <li>Number of associated knowledge products developed</li> </ul> <p><b>Better supervision &amp; implementation support (loans, grants and COSOPs) measured by:</b></p> <ul style="list-style-type: none"> <li>N. of implementation support and supervision missions that PTA staff/consultants participate in (from BToRs – see PTA xDESK)</li> <li>N. of associated knowledge products developed</li> </ul> <p><b>Verification:</b> Executive Board documents, Divisional Portfolio Performance Reports (see PMD xDESK site), LGS<sup>34</sup> Divisional Portfolio Performance Reports Annual RIDE</p>	<p>\$35 mn disbursed under global and regional grants</p> <p><b>Large global and regional commitments for \$32 mn (approximately 20 large grants):</b></p> <ul style="list-style-type: none"> <li>Sustainable agriculture</li> <li>Land and water</li> <li>Farmers' organizations, market access and policy</li> <li>Rural financial systems</li> <li>Smallholder farming as business</li> <li>Targeting, indigenous peoples, youth and women's empowerment</li> <li>Knowledge management</li> </ul> <p><b>Small global and regional grants for \$8 mn (50 grants)</b></p> <p>Supplementary-funded grants:</p> <ul style="list-style-type: none"> <li>23 grants under EC<sup>35</sup>/ CGIAR facility \$67.5 mn</li> <li>15 grants under FFR</li> </ul> <p><b>Country Programme Support Actions</b></p> <ul style="list-style-type: none"> <li>Technical and policy support to 40 Quality Enhancement (QE) panels for projects and 4 GEF projects, 6 COSOP country programme management teams, 20 design and implementation missions</li> <li>Review COSOP guidelines</li> <li>Knowledge products for Learning and Guidance Notes, Technical Advisory Notes, thematic papers and publications, seminars, presentations</li> </ul>	<p>\$40 mn disbursed global and regional grants</p> <p><b>Large global and regional commitments for \$40 mn (approximately 24 grants):</b></p> <ul style="list-style-type: none"> <li>Sustainable agriculture</li> <li>Land and water</li> <li>Farmers' organizations, market access and policy</li> <li>Rural financial systems</li> <li>Smallholder farming as business</li> <li>Targeting, indigenous peoples, youth and women's empowerment</li> <li>Knowledge-sharing</li> <li>Regional organization</li> <li>Knowledge management</li> </ul> <p><b>Small global and regional grants for \$10 mn (60 grants)</b></p> <p>Supplementary-funded grants:</p> <ul style="list-style-type: none"> <li>30 grants under EC/CGIAR facility \$90 mn</li> <li>15 grants under FFR</li> </ul> <p><b>Country Programme Support Actions</b></p> <ul style="list-style-type: none"> <li>Technical and policy support to and 44 QE panels for projects and 7 GEF projects, 11 COSOP country programme management teams, 25 design and implementation missions</li> <li>Knowledge products for Learning and Guidance Notes, Technical Advisory Notes, thematic papers and publications, seminars, presentations etc</li> </ul>	<p>\$46 mn disbursed global and regional grants</p> <p><b>Large global and regional commitments for \$48 mn (approximately 28 grants):</b></p> <ul style="list-style-type: none"> <li>Sustainable agriculture</li> <li>Land and water</li> <li>Farmers' Organizations, market access and policy</li> <li>Rural financial systems</li> <li>Smallholder farming as business</li> <li>Targeting, indigenous peoples, youth and women's empowerment</li> <li>Knowledge management</li> </ul> <p><b>Small global and regional grants for \$12 mn (65 grants)</b></p> <p>Supplementary-funded grants:</p> <ul style="list-style-type: none"> <li>30 grants under EC/CGIAR facility \$90 mn</li> <li>15 grants under FFR</li> </ul> <p><b>Country Programme Support Actions</b></p> <ul style="list-style-type: none"> <li>Technical and policy support to 48 QE panels for projects and 4 GEF projects, 5 COSOP country programme management teams, 26 design and implementation missions</li> <li>Knowledge products for Learning and Guidance Notes, Technical Advisory Notes, thematic papers and publications, seminars, presentations</li> </ul>	<table border="1"> <thead> <tr> <th colspan="4">PTA</th> </tr> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate<sup>27</sup></th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Zero Based Budget - 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Staff projection is indicative and subject to change as the staffing plan for 2011 is finalised.</p> <p>Cluster 1 - Country programme development and Implementation</p>	PTA					2010 realigned budget	2011 Projection	2012 Estimate <sup>27</sup>	<b>Zero Based Budget - \$ mn</b>				Cluster 1	7.22	8.52	9.38	<b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b>				Professional Staff	22.0	25.0	28.0	General Service Staff	15.0	15.0	15.0	Long-term consultant	8.0	8.0	8.0	All consultants	19.4	20.0	20.0	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>Recipients do not propose grants that confirm to IFAD policies/strategies</li> <li>Resources from supplementary funds do not materialize as expected</li> <li>Delays in issuing small grant agreements due to lack of familiarity with the process</li> <li>Costs of QE panels and budget: Division restrictions can limit the effectiveness of QE panels</li> <li>Result-based budget continues to be Division driven by pipeline lending targets ('design bias').</li> <li>PTA does not have sufficient resources (financial &amp; human) to participate in implementation support/supervision missions.</li> </ul> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>Grant proposals sufficiently match IFAD's priorities in grant financing</li> <li>Revised grant guidelines</li> <li>QE procedures for loans and grants are refined and the division continuously builds on efficiencies identified in the review process</li> <li>Improvement in resource mobilization</li> <li>Regional divisions fund the design, implementation support and supervision missions in case of budget gaps</li> <li>Divisions submit number of COSOPs, loan and DSF grant proposals as projected</li> </ul>
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<sup>32</sup> CGIAR: Consultative Group on International Agricultural Research.  
<sup>33</sup> FFR: Financing Facility for Remittances.  
<sup>34</sup> LGS: Loan and Grant System.  
<sup>35</sup> EC: European Commission.



IFAD COUNTRY STRATEGIC OPPORTUNITIES PROGRAMME (COSOP) AND PROJECT OUTCOMES 2010-2012 (CONT'D) – CROSS-CUTTING DIVISIONS CLUSTER 1

Operational outputs	Measures of success and sources of verification	Work programme projections			Resource inputs 2010-2012	Risks and assumptions																																
		2010	2011	2012																																		
<b>ENVIRONMENT AND CLIMATE CHANGE DIVISION (ECD)</b>																																						
<ul style="list-style-type: none"> <li>Environmental and climate change issues mainstreamed</li> </ul>	<ul style="list-style-type: none"> <li>No. of new COSOPs and project documents reflecting climate and environment risks and opportunities</li> <li>Percentage increase in no. of projects rated 4 or more on environment in project completion reports for 2013-2014 cohort (baseline: 77% in 2008-2009 cohort 2-year average)</li> <li>Average rating on natural resource intervention. (ARRI and PCR treat environment and national resource management as part of one impact domain)</li> <li>No. of projects with satisfactory ratings under ARRI (ARRI 2008 annual: 27%, 3-year moving average: 55%)</li> <li>No. of QE Panel reports highlighting climate change concerns, QE Panel summary assessments record ratings on climate change issues</li> <li>GEF<sup>36</sup> funds increased</li> <li>Green building certificate and yearly calculation of carbon imprint for IFAD headquarters</li> <li>Monitoring IFAD headquarters' energy consumption and carbon emissions</li> <li>GEF5 replenishment meeting held at IFAD</li> <li>No. of substantive contributions made by IFAD to international fora (GEF Assembly, COPs,<sup>37</sup> GDPRD<sup>38</sup>, UN/IFI meetings)</li> </ul>	<ul style="list-style-type: none"> <li>IFAD Climate Change Strategy</li> <li>ECD established</li> <li>Climate negotiations engagement</li> <li>KM: CLIMTRAIN screening tool, internal network established</li> <li>Adaptation Fund accreditation secured</li> <li>GEF and other cofinancing: Business plans agreed, 4 concept notes approved, 8 grants endorsed, 10 grants supervised</li> <li>1 strategic environment assessment</li> <li>30 environmental social review notes</li> <li>1 IFAD grants secured</li> <li>Best deal for smallholders – Cancun, meeting of the UN Framework Convention on Climate Change, Agriculture and Rural Development</li> </ul>	<ul style="list-style-type: none"> <li>IFAD environment and natural resource management strategy</li> <li>Continued policy advocacy</li> <li>Implementation of at least one measure to reduce carbon emissions</li> <li>1 Adaptation Fund pilot project developed</li> <li>GEF and other cofinancing: 7 concept notes approved; 10 grants endorsed, 14 grants supervised</li> <li>5 strategic environment assessments</li> <li>25 environmental social review notes</li> <li>Best deal for smallholders – Cape Town, United Nations Framework Convention on Climate Change meeting</li> <li>Environment, natural resource management policy approved by the Executive Board</li> <li>Environment and Climate Institutional training programme developed.</li> </ul>	<ul style="list-style-type: none"> <li>GEF and other cofinancing: 4 concept notes approved, 3 grants endorsed, 25 grants supervised</li> <li>5 strategic environment assessments</li> <li>25 environmental social review notes</li> </ul>	<table border="1"> <thead> <tr> <th colspan="4">ECD</th> </tr> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate<sup>27</sup></th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Zero Based Budget- \$ mn</b></td> </tr> <tr> <td>Cluster 1</td> <td>1.21</td> <td>1.98</td> <td>2.18</td> </tr> <tr> <td colspan="4"><b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b></td> </tr> <tr> <td>Professional Staff</td> <td>7.0</td> <td>9.0</td> <td>9.0</td> </tr> <tr> <td>General Service Staff</td> <td>3.0</td> <td>3.0</td> <td>3.0</td> </tr> <tr> <td>Consultants</td> <td>5.5</td> <td>6.0</td> <td>7.0</td> </tr> </tbody> </table> <p>* Actual workforce across all funding sources. Staff projection is indicative and subject to change as the staffing plan for 2011 is finalised.</p>	ECD					2010 realigned budget	2011 Projection	2012 Estimate <sup>27</sup>	<b>Zero Based Budget- \$ mn</b>				Cluster 1	1.21	1.98	2.18	<b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b>				Professional Staff	7.0	9.0	9.0	General Service Staff	3.0	3.0	3.0	Consultants	5.5	6.0	7.0	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>Inadequate resources for environment and climate change work</li> <li>Failure to agree on streamlined project cycle reforms to GEF</li> <li>Availability and quality of consultants for programme and project design assignments, especially in fragile countries</li> </ul> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>Continued contribution to the global concern for protection of the environment</li> <li>Supplementary funding for integration of climate and environment risks and opportunities in portfolio</li> </ul>
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	<p><b>Verification:</b> Annual RIDE</p>			<p>Cluster 1 - Country programme development and implementation</p>																																		

<sup>36</sup> GEF: Global Environment Facility.

<sup>37</sup> COP: Conference of the Parties - United Nations Framework Convention on Climate Change (UNFCCC).

<sup>38</sup> GDPRD: Global Donor Platform for Rural Development.



IFAD KNOWLEDGE MANAGEMENT, POLICY ADVOCACY AND COMMUNICATION OUTCOMES 2010-2012 – CLUSTER 2

Operational outputs	Measures of success and sources of verification (Level 5)	Work programme projections			Resource inputs 2010-2012	Risks and assumptions																																								
		2010	2011	2012																																										
<p><b>Office of the Chief Development Strategist (CDS)</b></p> <p>Supported by: - Communications Division (COM) - PMD</p> <ul style="list-style-type: none"> <li>International policy environment favourable to the interests of poor rural people</li> <li>National policy and programming for effective participation of poor rural people</li> <li>Improved national policy framework for smallholder development</li> <li>Strengthened in-country capacities for agricultural and rural development</li> </ul> <p>Integrated KMI agenda – mainstreaming KMI into IFAD's core business</p>	<ul style="list-style-type: none"> <li>2010: Identification of two institutional issue priorities for international policy engagement in 2011</li> <li>2010: Baseline self-assessment of IFAD's institutional capacity for international policy engagement</li> <li>2011 and 2012: Score of moderately satisfactory or better on performance assessment scale for two international policy engagement initiatives</li> <li>2012: Strengthened institutional capacity for international policy engagement in at least two lagging areas identified by 2010 baseline self-assessment</li> </ul> <p><b>Verification:</b> Annual RIDE</p> <ul style="list-style-type: none"> <li>Improved environment and culture for knowledge management and innovation.</li> <li>Active level of participation by staff</li> <li>Successful evaluation by CPM<sup>41</sup> of the CPM forum</li> <li>Improved communication abilities and skills noted in Performance Evaluation System</li> <li>No. of thematic consultations and seminars (with PMD)</li> </ul> <p><b>Verification:</b> IFAD reports and website</p>	<ul style="list-style-type: none"> <li>IFAD Strategic Framework 2011-2015</li> <li>Framework for rapid response for post-disaster rehabilitation and reconstruction</li> <li>Global agriculture and development dialogue</li> <li>IFAD Conference on New Directions for Smallholder Agriculture</li> <li>Corporate approach and capacity for international policy engagement</li> <li>Attention to concerns of smallholder farmers in MDG Summit outcome document</li> <li>Office of CDS created</li> </ul> <ul style="list-style-type: none"> <li>Development research digest</li> <li>Corporate innovation agenda</li> <li>RPR<sup>42</sup></li> <li>Corporate publications approach</li> <li>IFAD working paper series started</li> <li>QE reviews shared (with PTA)</li> <li>Awareness of IFAD's work at country, regional and corporate levels increased</li> <li>CPM forum initiated</li> <li>Thematic, regional networks integrated into corporate knowledge management (with PMD)</li> <li>Learning tools for knowledge management and innovation established</li> </ul>	<ul style="list-style-type: none"> <li>International policy engagement strategies on two priority issues</li> <li>Global agriculture and development dialogue</li> <li>Thematic paper series (with PMD)</li> <li>10 occasional papers</li> <li>3-4 major studies (in collaboration with PMD)</li> <li>1 workshop / conference</li> <li>Support to operational processes (COSOP review, project QA)</li> </ul> <ul style="list-style-type: none"> <li>Outcomes of learning events disseminated at country level</li> <li>Innovative grant initiatives documented (with PMD)</li> <li>Partnership opportunities increased</li> <li>Headquarters/field reporting and communication improved</li> <li>CPM forum held</li> <li>Guidance note – scaling-up initiative (with PTA)</li> <li>Thematic consultations, seminars organized (with PMD)</li> <li>CDS statistics unit established</li> </ul>	<ul style="list-style-type: none"> <li>Development, implementation, monitoring and evaluation of international policy engagement: strategies on two additional priority issues</li> <li>Guidance notes reviewed and refined (with PTA)</li> <li>Global agriculture and development dialogue</li> <li>Thematic paper series (with PMD)</li> <li>3-4 major studies (in collaboration with PMD)</li> <li>10 occasional papers</li> <li>1 workshop / conference</li> <li>Support to operational processes (COSOP review, project QA)</li> </ul> <ul style="list-style-type: none"> <li>RPR</li> <li>CPM forum held</li> <li>KMI fully mainstreamed into IFAD's operations (corporate and regional) levels</li> </ul>	<table border="1"> <thead> <tr> <th colspan="4">CDS</th> </tr> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Zero Based Budget - 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<sup>41</sup> CPM: country programme manager.

<sup>42</sup> RPR: Rural Poverty Report.

**IFAD KNOWLEDGE MANAGEMENT, POLICY ADVOCACY AND COMMUNICATION OUTCOMES 2010-2012 – CLUSTER 2 (cont'd)**

Operational outputs	Measures of success and sources of verification (Level 5)	Work programme projections			Resource inputs 2010-2012	Risks and assumptions																																				
		2010	2011	2012																																						
<b>COM</b>	<ul style="list-style-type: none"> <li>Increased communications capacity among IFAD staff</li> <li>Improved quality of IFAD publications and products, including strategic approach to content and distribution</li> <li>Priority country strategies implemented</li> <li>IFAD is better known among target audiences</li> </ul> <p><b>Verification:</b> IFAD reports and website</p>	<ul style="list-style-type: none"> <li>Communications strategy</li> <li>Communications toolkit and guidelines to ICOs</li> <li>Annual Report</li> <li>RPR launch</li> <li>Focus on 10 priority countries selected by PMD</li> <li>Occasional Paper series</li> <li>Replenishment efforts advanced by strategic communications</li> <li>IFAD staff informed on HR reform issues through internal communications</li> <li>IFAD's image boosted by communications training of IFAD staff</li> <li>New disclosure policy</li> </ul>	<ul style="list-style-type: none"> <li>Annual Report</li> <li>RPR regional launches</li> <li>Communications toolkit and guidelines to new ICOs</li> <li>Focus on 10 priority countries selected by PMD</li> <li>Occasional Paper series and other strategic IFAD publications</li> <li>Replenishment efforts advanced by strategic communications</li> <li>IFAD staff informed on HR reform issues through internal communications</li> <li>Training on new disclosure policy</li> </ul>	<ul style="list-style-type: none"> <li>Annual Report</li> <li>RPR launch</li> <li>Communications toolkit and guidelines to new ICOs</li> <li>Focus on 10 priority countries selected by PMD</li> <li>Occasional Paper series and other strategic IFAD publications</li> </ul>	<table border="1"> <thead> <tr> <th colspan="4">COM</th> </tr> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Zero Based Budget - \$ mn</b></td> </tr> <tr> <td>Cluster 1</td> <td>0.80</td> <td>1.11</td> <td>1.22</td> </tr> <tr> <td>Cluster 2</td> <td>4.17</td> <td>4.20</td> <td>4.37</td> </tr> <tr> <td colspan="4"><b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b></td> </tr> <tr> <td>Professional Staff</td> <td>14.5</td> <td>19.5</td> <td>21.0</td> </tr> <tr> <td>General Service Staff</td> <td>11.0</td> <td>12.0</td> <td>12.0</td> </tr> <tr> <td>Consultants</td> <td>5.7</td> <td>6.0</td> <td>6.0</td> </tr> </tbody> </table> <p>* Actual workforce across all funding sources. Staff projection is indicative and subject to change as the staffing plan for 2011 is finalised.</p> <p>Cluster 1: Country programme development and implementation Cluster 2 – High-level policy dialogue, resource mobilization and strategic communications</p>	COM					2010 realigned budget	2011 Projection	2012 Estimate	<b>Zero Based Budget - \$ mn</b>				Cluster 1	0.80	1.11	1.22	Cluster 2	4.17	4.20	4.37	<b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b>				Professional Staff	14.5	19.5	21.0	General Service Staff	11.0	12.0	12.0	Consultants	5.7	6.0	6.0	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>Risks to reputation with expanding country presence</li> <li>Slow response capacity to address emerging external issues</li> </ul> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>Adequate staffing and administrative budget</li> <li>Communications embedded in PMD programmes</li> <li>IFAD staff at headquarters and in the field have the tools to communicate effectively</li> <li>Corporate harmonization of ICO and thematic websites</li> <li>Corporate publications approach</li> </ul>
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IFAD RESOURCE MOBILIZATION OUTCOMES 2010-2012 – CLUSTER 2

Operational outputs	Measures of success and sources of verification	Work programme projections (Level 5)			Resource inputs 2010-2012	Risks and assumptions																																																																								
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<p><b>Arab and Gulf States Liaison Office (AGL)</b></p> <p><b>Resource Mobilization and Partnership (RMP)</b></p> <p>Supported by: - OPV</p> <p><b>Improved resource mobilization and management</b></p> <ul style="list-style-type: none"> <li>IFAD replenishment contributions at \$1.2 bn to expand PoW<sup>43</sup> at \$3 bn</li> </ul>	<ul style="list-style-type: none"> <li>Pledges and paid-in contributions received for a total of \$1.2 bn</li> <li>Fill current ACA<sup>44</sup> projected gap in year 2012 in order to maintain same level of PoW</li> <li>Remaining pledges to IFAD-8 announced</li> <li>Demonstrated increased support to IFAD by the Arab Gulf States.</li> <li>Additional resources to PoW, including through cofinancing: tracked</li> <li>Additional resources from foundations: tracked</li> </ul> <p><b>Verification:</b> IFAD9 report; annual financial statements; annual audits</p>	<p>\$800 mn loans and grants plus \$185 mn in MDRI<sup>45</sup> costs and administrative budget:</p> <ul style="list-style-type: none"> <li>\$296 mn in paid contributions</li> <li>\$408 mn in internal resources (including investment income, loan reflows and cancellations)</li> <li>Approved ACA 7-year ceiling absorbing gap between resource requirements and resources available</li> <li>New resource mobilization strategy</li> <li>IFAD8 mid-term review</li> <li>Establishing AGL</li> <li>Liaise with Gulf States on pledges to IFAD8</li> <li>Lay foundations for participation in IFAD8 and IFAD9</li> <li>Additional resources for PoW through cofinancing</li> <li>Additional resources from foundations</li> </ul>	<p>\$1 bn in loans and grants plus \$190 mn in MDRI costs and administrative budget:</p> <ul style="list-style-type: none"> <li>\$230 mn in paid contributions</li> <li>\$414 mn in internal resources</li> <li>Approved ACA 7-year ceiling absorbing gap between resource requirements and resources available</li> <li>Partnership strategy</li> <li>Successful IFAD9 negotiations</li> <li>Gulf region participates in IFAD9</li> <li>Pledges for IFAD9</li> <li>Additional resources for PoW through cofinancing</li> <li>Additional resources from foundations</li> <li>IFAD9 Consultation resolution</li> </ul>	<p>\$1.2 bn in loans and grants plus \$190 mn in MDRI costs and administrative budget:</p> <ul style="list-style-type: none"> <li>\$156 mn in paid contributions</li> <li>\$421 mn in internal resources</li> <li>Resource gap of \$90 mn above ACA 7-year ceiling</li> <li>\$720 mn in ACA</li> <li>IFAD9 pledges concluded</li> <li>Contribute to achieving IFAD9 target</li> <li>Relocation of AGL to Gulf region</li> <li>Secure additional resources for PoW including through cofinancing</li> <li>Additional resources from foundations</li> <li>IFAD9 resolution</li> <li>Legal review of IFAD9 instruments of contribution</li> </ul>	<table border="1"> <thead> <tr> <th colspan="4">AGL</th> </tr> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Zero Based Budget - \$ mn</b></td> </tr> <tr> <td>Cluster 2</td> <td>0.42</td> <td>0.50</td> <td>0.52</td> </tr> <tr> <td>Cluster 4</td> <td>0.23</td> <td>0.23</td> <td>0.24</td> </tr> <tr> <td colspan="4"><b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b></td> </tr> <tr> <td>Professional Staff</td> <td>2.0</td> <td>2.0</td> <td>2.0</td> </tr> <tr> <td>General Service Staff</td> <td>2.0</td> <td>2.0</td> <td>2.0</td> </tr> <tr> <td>Consultants</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="4">RMP</th> </tr> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Zero Based Budget - \$ mn</b></td> </tr> <tr> <td>Cluster 2</td> <td>0.23</td> <td>0.43</td> <td>0.45</td> </tr> <tr> <td>Cluster 4</td> <td>0.65</td> <td>0.66</td> <td>0.68</td> </tr> <tr> <td colspan="4"><b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b></td> </tr> <tr> <td>Professional Staff</td> <td>4.0</td> <td>4.0</td> <td>4.0</td> </tr> <tr> <td>General Service Staff</td> <td>2.0</td> <td>2.0</td> <td>2.0</td> </tr> <tr> <td>Consultants</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>* Actual workforce across all funding sources. Staff projection is indicative and subject to change as the staffing plan for 2011 is finalised.</p> <p>Cluster 2 – High-level policy dialogue, resource mobilization and strategic communication Cluster 4 – Support to Members' governance activities</p>	AGL					2010 realigned budget	2011 Projection	2012 Estimate	<b>Zero Based Budget - \$ mn</b>				Cluster 2	0.42	0.50	0.52	Cluster 4	0.23	0.23	0.24	<b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b>				Professional Staff	2.0	2.0	2.0	General Service Staff	2.0	2.0	2.0	Consultants	-	-	-	RMP					2010 realigned budget	2011 Projection	2012 Estimate	<b>Zero Based Budget - \$ mn</b>				Cluster 2	0.23	0.43	0.45	Cluster 4	0.65	0.66	0.68	<b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b>				Professional Staff	4.0	4.0	4.0	General Service Staff	2.0	2.0	2.0	Consultants	-	-	-	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>Economic conditions impact financial resource projections</li> <li>Partners' willingness to partner and political will</li> <li>Absence of strategic communications on resource mobilization exposes IFAD to risks to its reputation</li> </ul> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>Full mobilization of replenishment resources for commitment authority</li> <li>Revised investment policy</li> <li>Revised liquidity policy</li> <li>Champions identified for IFAD9</li> <li>Country engagement strengthened</li> </ul>
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<p><b>Resource Mobilization and Partnership (RMP)</b></p> <p>Supported by: - OPV - AGL - NAL</p> <p><b>Supplementary funds</b></p> <ul style="list-style-type: none"> <li>Supplementary cofinancing at \$48.5 mn received</li> </ul> <p><b>Cofinancing</b></p> <ul style="list-style-type: none"> <li>Ratio of cofinancing to own resources: 1.5 times. Total volume of cofinancing \$4.5 bn</li> </ul>	<ul style="list-style-type: none"> <li>Increased mobilization of financial resources for rural poverty</li> </ul> <p><b>Verification:</b> Executive Board reports; Annual Report</p>	<ul style="list-style-type: none"> <li>Supplementary funds: \$21 mn</li> <li>GEF supplementary funds: \$14 mn</li> <li>Foundations: \$5-10 mn</li> <li>Cofinancing: \$1.2 bn</li> </ul>	<ul style="list-style-type: none"> <li>Supplementary funds: \$22 mn</li> <li>GEF supplementary funds: \$28 mn</li> <li>Foundations: \$10-15 mn</li> <li>Cofinancing: \$1.5 bn</li> </ul>	<ul style="list-style-type: none"> <li>Supplementary funds: \$22 mn</li> <li>GEF supplementary funds: \$21 mn</li> <li>Foundations: \$15-20 mn</li> <li>Cofinancing: \$1.8 bn</li> </ul>	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>GEF secretariat delays approval of IFAD-developed GEF projects.</li> </ul> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>Expanded cofinancing strategy and new financial instruments</li> <li>Cofinancing supported by corresponding risk and financial management capabilities</li> <li>Industry standard management assertion on internal controls of reporting implemented in 2012</li> <li>At least 25% increase in GEF-5 Trust Fund cofinancing of IFAD operations over next GEF replenishment period 2010-2014</li> <li>At least 40% increase in combined LDCF<sup>46</sup> and SCCF<sup>47</sup> cofinancing of IFAD operations over next GEF replenishment period 2010-2014</li> </ul>																																																																									

<sup>43</sup> PoW: Programme of Work.

<sup>44</sup> ACA: Advance Commitment Authority.

<sup>45</sup> MDRI: Multilateral Debt Relief Initiative.

<sup>46</sup> LDCF: Least Developed Countries Fund.

<sup>47</sup> SCCF: Special Climate Change Fund.

**IFAD STRATEGIC PLANNING AND BUDGETING, AND HR MANAGEMENT OUTCOMES 2010-2012 – CLUSTER 3**

Operational outputs	Measures of success and sources of verification	Work programme projections (Level 5)			Resource inputs 2010-2012	Risks and assumptions																																								
		2010	2011	2012																																										
<p><b>Strategic Planning and Budget Division (SPB)</b></p> <ul style="list-style-type: none"> <li>3-year rolling administrative plan and integrated budget prepared using zero-based and results-based budgeting approach</li> <li>Annual administrative and capital budgets aligned with operational targets</li> <li>The Strategic Workforce Plan (SWP) for: (i) strategic workforce alignment to support country programming and implementation, (ii) strategic workforce management for increased efficiency and cost containment, and (iii) strengthening the corporate framework for managing the workforce for development effectiveness and efficiency</li> <li>Performance reporting on results</li> </ul>	<ul style="list-style-type: none"> <li>Increased overall efficiency at 13.5% (budget to programme of work) – RMF<sup>48</sup> 5.9</li> <li>Percentage increase of the budget allocated to expenditures in direct support of programme design and implementation</li> <li>Administrative processes are benchmarked, measured and managed for increased efficiency</li> <li>Key findings of performance reviews are integrated into management decisions and planning</li> <li>Increased automation of administration and liberation of resources for value-addition</li> </ul> <p><b>Verification:</b> HRD management plans for 2010</p>	<ul style="list-style-type: none"> <li>MTP for 2010-2012</li> <li>Approved zero-based budget, estimate of supplementary funds</li> <li>Quarterly and annual performance reviews</li> <li>SWP</li> </ul>	<ul style="list-style-type: none"> <li>First zero-based budget with needs-based analysis of requirements to reach RMF targets</li> <li>Quarterly and annual performance reviews</li> <li>Pilot programme for planning and monitoring improved administrative efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Second zero-based budget developed on a rolling budget basis within new Strategic Framework</li> <li>Capital budget focuses on efficiency and effectiveness in key business processes</li> <li>Cross-IFAD system for planning and monitoring improved efficiency integrated into IFAD's results management system</li> </ul>	<table border="1"> <thead> <tr> <th colspan="4">SPB</th> </tr> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Zero Based Budget - \$ mn</b></td> </tr> <tr> <td>Cluster 3</td> <td>1.11</td> <td>1.12</td> <td>1.15</td> </tr> <tr> <td colspan="4"><b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b></td> </tr> <tr> <td>Professional Staff</td> <td>5.0</td> <td>5.0</td> <td>5.0</td> </tr> <tr> <td>General Service Staff</td> <td>1.0</td> <td>1.0</td> <td>1.0</td> </tr> <tr> <td>Consultants</td> <td>0.2</td> <td>0.2</td> <td>0.2</td> </tr> </tbody> </table> <p>* Actual workforce across all funding sources. Staff projection is indicative and subject to change as the staffing plan for 2011 is finalised.</p> <p>Cluster 3 – Corporate management, reform and administration</p>	SPB					2010 realigned budget	2011 Projection	2012 Estimate	<b>Zero Based Budget - \$ mn</b>				Cluster 3	1.11	1.12	1.15	<b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b>				Professional Staff	5.0	5.0	5.0	General Service Staff	1.0	1.0	1.0	Consultants	0.2	0.2	0.2	<p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>Functioning mitigation-oriented risk management</li> <li>Operational and administrative budgets are revised to take into account new and emerging business models and changes in the external environment</li> <li>Business processes are reviewed from perspective of value-added and right location</li> </ul>								
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<p><b>Human Resources Division (HRD)</b></p> <ul style="list-style-type: none"> <li>Improved HR management</li> <li>Implement the SWP to establish HRD management objectives: staffing levels, skills mix, career structures, in alignment with corporate results</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of staff who have attended at least one in-house training course (year-to-date)</li> <li>Average time to fill professional vacancies (100 days) – baseline year 2009, value 119 days</li> <li>No. of recruitments concluded (25)</li> <li>Progress in revamping performance management process (100%)</li> <li>VSP-2<sup>49</sup> defined and completed in 2011</li> <li>No. of in-house corporate training courses organized (15)</li> <li>No. of IFAD contracts issued to country/national staff (15)</li> <li>Staff engagement index: 75% (baseline year 2008, value 68.4%, target 2012 75%)</li> <li>Percentage of progress in implementation of automation of some existing manual processes</li> </ul> <p><b>Verification:</b> HRD management plans for 2010</p>	<ul style="list-style-type: none"> <li>Provide HR services to headquarters and ICO staff</li> <li>Reconfigure HRD</li> <li>Recruit 30 headquarters and 30 ICO staff</li> <li>Revise staff rules</li> <li>Finalize job families</li> <li>initiate standardization of job descriptions (HQ/ICO)</li> <li>Revise performance management system</li> <li>Initiate revision of HR procedures for Promotion, rotation, redeployment, anti Harassment and contract type</li> <li>Pilot induction and training for ICO staff</li> </ul>	<ul style="list-style-type: none"> <li>Provide HR services to headquarters and ICO staff</li> <li>Prepare staff development strategy</li> <li>Finalize new HR procedures manual</li> <li>Implement capital projects in HR reform</li> <li>standardize job descriptions for HQ and ICO</li> <li>Continue automation of HR processes</li> </ul>	<ul style="list-style-type: none"> <li>Provide HR services to headquarters and ICO staff</li> <li>Develop and design a learning management system</li> <li>Induction and training for ICO staff</li> <li>Complete automation of HR processes</li> </ul>	<table border="1"> <thead> <tr> <th colspan="4">HRD</th> </tr> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Zero Based Budget - \$ mn</b></td> </tr> <tr> <td>Cluster 1: \$ mn</td> <td>-</td> <td>0.40</td> <td>0.44</td> </tr> <tr> <td>Cluster 2: \$ mn</td> <td>0.15</td> <td>0.16</td> <td>0.17</td> </tr> <tr> <td>Cluster 3: \$ mn</td> <td>5.05</td> <td>5.31</td> <td>5.11</td> </tr> <tr> <td colspan="4"><b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b></td> </tr> <tr> <td>Professional Staff</td> <td>12.0</td> <td>14.0</td> <td>16.0</td> </tr> <tr> <td>General Service Staff</td> <td>16.0</td> <td>10.0</td> <td>8.0</td> </tr> <tr> <td>Consultants</td> <td>2.5</td> <td>0.8</td> <td>1.0</td> </tr> </tbody> </table> <p>* Actual workforce across all funding sources. Staff projection is indicative and subject to change as the staffing plan for 2011 is finalised.</p> <p>Cluster 1 – Country programme development and implementation Cluster 2 – High-level policy dialogue, resource mobilization and strategic communication Cluster 3 – Corporate management, reform and administration</p>	HRD					2010 realigned budget	2011 Projection	2012 Estimate	<b>Zero Based Budget - \$ mn</b>				Cluster 1: \$ mn	-	0.40	0.44	Cluster 2: \$ mn	0.15	0.16	0.17	Cluster 3: \$ mn	5.05	5.31	5.11	<b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b>				Professional Staff	12.0	14.0	16.0	General Service Staff	16.0	10.0	8.0	Consultants	2.5	0.8	1.0	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>Voluntary VSP-2 does not generate expected results</li> <li>Lack of automation of HR processes leads to financial and reputation risks.</li> </ul> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>Effective strategic workforce planning, recruitment and management, including performance management</li> <li>Lack of service and host country agreements for ICOs</li> <li>Country presence strategy</li> <li>Staff rules and benefits attract qualified candidates</li> </ul>
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<sup>48</sup> RMF: Results Measurement Framework.

<sup>49</sup> VSP-2: Voluntary Separation Programme – Phase II.

IFAD FINANCIAL MANAGEMENT OUTCOMES 2010-2012 – CLUSTER 3

Operational outputs	Measures of success and sources of verification	Work programme projections (Level 5)			Resource inputs 2010-2012	Risks and assumptions																																																																																																				
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<p>FAD front office supported by:</p> <ul style="list-style-type: none"> <li>- OPV</li> <li>- LEG</li> <li>- SPB</li> <li>- COM</li> <li>- PMD</li> <li>- CFS</li> <li>- TRE</li> <li>- ADM</li> <li>- ICT</li> </ul> <p><b>Financial Services Division (CFS)</b></p> <p><b>Treasury Division (TRE)</b></p> <p>Supported by:</p> <ul style="list-style-type: none"> <li>- OPV</li> <li>- SPB</li> <li>- LEG</li> </ul> <ul style="list-style-type: none"> <li>• Robust financial management of regular and extra-budgetary funds.</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen capacity of the three Rome Based Agencies (RBAs) to achieve the goals of increased cooperation and efficiencies drawing on the comparative advantages of the 3 RBAs.</li> <li>• Framework for immediate and medium term collaboration at the global, regional, national and local levels of the 3 RBAs focusing on four pillars:               <ol style="list-style-type: none"> <li>1: Policy Advice &amp; Monitoring</li> <li>2: Operations</li> <li>3: Advocacy &amp; Communication</li> <li>4: Administrative collaboration</li> </ol> </li> <li>• Quarterly meetings of the Inter-Institution Coordination Committee (IICC)</li> </ul> <ul style="list-style-type: none"> <li>• Unqualified audit opinion on all public financial statements issued by IFAD (IFAD and hosted entities)</li> <li>• Unqualified audit attestation to management assertion on the effectiveness of controls over financial reporting (2012)</li> <li>• Error-free processing of receipt and payment transactions (approximately 4,000 in 2010, 4,500 in 2011, 5,000 in 2012)</li> <li>• Timely processing of receipt and payment transactions (to less than 3 days average processing time by 2012)</li> <li>• Business case of PeopleSoft Functional Upgrade by early 2011 – implementation by end 2011.</li> <li>• Introduction of improved lending terms (2010) and new financial products (2011, 2012)</li> <li>• Timely and effective debt servicing and proactive loan and grant closure actions</li> <li>• Streamlined disbursement processing model based on matrix reporting (2010 pilots launched, 2011 fully operational)</li> <li>• Principal on investments is protected, liquidity is ensured, and rate of return is matched with benchmarks</li> </ul> <p><b>Verification:</b> IFAD financial model; Executive Board documents; FISCO<sup>50</sup> and FALCO<sup>51</sup> documents; <i>Annual Report</i></p>	<ul style="list-style-type: none"> <li>• Launching of the pilot Common Procurement Team. Issuance of joint tenders for ICT equipment, banking services, courier services, travel services, electricity and other facilities management related services</li> <li>• Joint procurement plan</li> <li>• Shared pouch services of FAO</li> <li>• Collaboration of Security matters</li> <li>• ICT– IFAD to install server in FAO location for the disaster recovery/business continuity plan</li> <li>• Harmonization of UN Treasury functions – launching of Treasury website</li> <li>• Quarterly IICC meeting</li> </ul> <ul style="list-style-type: none"> <li>• Adequate financial control and reliable reporting</li> <li>• Value adding processing of financial transactions</li> <li>• Efficient and effective loan administration of portfolio</li> <li>• Appropriate management of cash resources and investments, including proactive asset and liability management</li> <li>• Liquidity policy</li> <li>• Investment policy</li> <li>• Financial accountability framework</li> <li>• Medium-term financial projections</li> <li>• Accounting for single-currency lending (including currency management), new loans of IFAD</li> <li>• External review of financial operations</li> <li>• Strengthened financial risk management</li> <li>• Revised Lending Policies and Criteria</li> <li>• Adequate legal framework for investment of IFAD resources</li> </ul>	<ul style="list-style-type: none"> <li>• Common Procurement: Issuance of joint tenders for petrol cards, consultancy services, banking services, videoconferencing and audiovisual equipment; and other areas as required</li> <li>• Sharing of Business Continuity Plans</li> <li>• Joint procurement plan</li> <li>• Collaboration of Security matters</li> <li>• Continued Harmonization of UN Treasury functions</li> <li>• Common cash management in the field – possibility of sharing SWIFT services</li> <li>• Quarterly IICC meeting</li> </ul> <ul style="list-style-type: none"> <li>• Review of ACA policy</li> <li>• Decentralization of financial management to ICOs</li> <li>• PeopleSoft financial platform upgraded</li> <li>• Comprehensive medium-term corporate financial resource management strategy</li> <li>• Support to new lending term strategy/policy</li> <li>• Management's assertion on internal controls over financial reporting</li> <li>• Revised lending policies and criteria</li> <li>• Revision of financial regulations</li> <li>• Revised Agreement Establishing IFAD (single currency loans)</li> <li>• Implementation of the revised investment policy and minimum liquidity requirement</li> <li>• Prudent investment of resources mobilised from external sources</li> <li>• Support the IFAD 9 consultation and resource mobilization</li> </ul>	<ul style="list-style-type: none"> <li>• Decision on the establishment of a Common Procurement Service.</li> <li>• Joint procurement plan</li> <li>• Continued Harmonization of UN Treasury functions</li> <li>• Quarterly IICC meeting</li> </ul> <ul style="list-style-type: none"> <li>• Industry standard management assertion on internal controls over financial reporting</li> <li>• Revised IFAD financial modelling to support IFAD9 consultation and resource mobilization strategies</li> <li>• Support to new MICS<sup>52</sup> strategy</li> </ul>	<table border="1"> <thead> <tr> <th colspan="4">FAD FRONT OFFICE</th> </tr> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Zero Based Budget - \$ mn</b></td> </tr> <tr> <td>Cluster 3</td> <td>1.1</td> <td>.97</td> <td>1.1</td> </tr> <tr> <td colspan="4"><b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b></td> </tr> <tr> <td>Professional Staff</td> <td>2.0</td> <td>2.0</td> <td>2.0</td> </tr> <tr> <td>General Service Staff</td> <td>1.0</td> <td>1.0</td> <td>1.0</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="4">CFS</th> </tr> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Zero Based Budget - \$ mn</b></td> </tr> <tr> <td>Cluster 1</td> <td>1.77</td> <td>2.39</td> <td>2.60</td> </tr> <tr> <td>Cluster 3</td> <td>3.32</td> <td>2.81</td> <td>2.60</td> </tr> <tr> <td colspan="4"><b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b></td> </tr> <tr> <td>Professional Staff</td> <td>14.0</td> <td>15.0</td> <td>15.0</td> </tr> <tr> <td>General Service Staff</td> <td>17.7</td> <td>16.7</td> <td>15.7</td> </tr> <tr> <td>Consultants</td> <td>1.0</td> <td>1.0</td> <td>1.0</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="4">TRE</th> </tr> <tr> <th></th> <th>2010 Actual</th> <th>2011 Projection</th> <th>2012 Estimate</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Zero Based Budget - \$ mn</b></td> </tr> <tr> <td>Cluster 1</td> <td>-</td> <td>0.22</td> <td>0.24</td> </tr> <tr> <td>Cluster 3</td> <td>2.14</td> <td>2.16</td> <td>2.22</td> </tr> <tr> <td colspan="4"><b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b></td> </tr> <tr> <td>Professional Staff</td> <td>7.0</td> <td>8.0</td> <td>8.0</td> </tr> <tr> <td>General Service Staff</td> <td>8.7</td> <td>8.7</td> <td>8.7</td> </tr> <tr> <td>Consultants</td> <td>2.1</td> <td>2.0</td> <td>2.0</td> </tr> </tbody> </table> <p>* Actual workforce across all funding sources. 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<sup>50</sup> FISCO: Investment and Finance Advisory Committee.

<sup>51</sup> FALCO: Investment, Finance and Asset Liability Management Advisory Committee.

<sup>52</sup> MICS: Medical Insurance for Consultants and Short-Term Staff.

**IFAD ADMINISTRATIVE, AND INFORMATION AND COMMUNICATIONS TECHNOLOGY OUTCOMES 2010-2012 – CLUSTER 3**

Operational outputs	Measures of success and sources of verification	Work programme projections (Level 5)			Resource inputs 2010-2012	Risks and assumptions																																								
		2010	2011	2012																																										
<p><b>Administrative Services Division (ADM)</b></p> <p>Improved administrative efficiency</p>	<p>Efficiency gains and cost reductions</p> <ul style="list-style-type: none"> <li>Percentage of systems downtime</li> <li>No. of people moved into new offices</li> <li>No. of client requests addressed</li> <li>LEED certification, reduced quantity of paper usage and increased compensation for recycling practices</li> </ul> <p><b>Verification:</b> Client survey; quality control reports; administrative procedures and manuals; statistics extracted from Footprint systems</p>	<ul style="list-style-type: none"> <li>Revised ADM manual</li> <li>Headquarters procurement guidelines revised</li> <li>Common procurement team pilot project for the Rome-based agencies</li> <li>Security risk assessment by UNDSS</li> <li>Headquarters security strategy</li> <li>Reinforced headquarters external perimeter for security risks (badge readers phase I)</li> <li>Greening of building</li> <li>Timely and efficient processing of visa and related privileges and immunities of staff</li> <li>Coordination for the finalization of Host Country Agreements for ICO</li> <li>Support to ICO in relation to P&amp;I</li> <li>Logistics and facilities management</li> <li>Merge of IRC with Mail room</li> <li>New workflow for handling records and correspondence</li> <li>Arbitration on IFAD headquarters</li> <li>GC meeting set-up, logistics and security</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of IFAD security strategy</li> <li>Badge readers phase 2</li> <li>Enhancement of external parking</li> <li>Construction of round-about at the building entrance</li> <li>Main part of meeting rooms fully refurbished and decorated</li> <li>Tender process for corporate cards for staff petrol purchases by CPT</li> <li>Greening of building</li> <li>Timely and efficient processing of visa and related privileges and immunities of staff</li> <li>Logistics and facilities management</li> <li>Coordination for the finalization of Host Country Agreements for ICO</li> <li>Support to ICO in relation to P&amp;I</li> <li>Implementation of Archives policies and procedures</li> <li>Implementation of Electronic Records Management</li> <li>GC meeting set-up, logistics and security</li> <li>Increased agency integration under Common Procurement Team pilot project (CPT Phase II)</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of IFAD security strategy</li> <li>Greening of building and other business processes</li> <li>Timely and efficient processing of visa and related privileges and immunities of staff</li> <li>Logistics and facilities management both for office needs and for conferences and meetings;</li> <li>Refurbishment and decoration of meeting rooms finalised</li> <li>Coordination for the finalization of Host Country Agreements for ICO</li> <li>Support to ICO in relation to P&amp;I</li> <li>Implementation of Electronic Archives management</li> <li>GC meeting set-up, logistics and security</li> <li>Increased agency integration under Common Procurement Team pilot project (CPT Phase III)</li> </ul>	<table border="1"> <thead> <tr> <th colspan="4">ADM</th> </tr> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Zero Based Budget - \$ mn</b></td> </tr> <tr> <td>Cluster 2</td> <td>0.24</td> <td>0.25</td> <td>0.26</td> </tr> <tr> <td>Cluster 3</td> <td>10.20</td> <td>10.34</td> <td>10.65</td> </tr> <tr> <td>Cluster 4</td> <td>0.17</td> <td>0.17</td> <td>0.18</td> </tr> <tr> <td colspan="4"><b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b></td> </tr> <tr> <td>Professional Staff</td> <td>7.0</td> <td>14.00</td> <td>15.00</td> </tr> <tr> <td>General Service Staff</td> <td>33.3</td> <td>30.97</td> <td>31.97</td> </tr> <tr> <td>Consultants</td> <td>1.80</td> <td>1.80</td> <td>1.80</td> </tr> </tbody> </table> <p>* Actual workforce across all funding sources. 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<p><b>Information and Communications Technology Division (ICT)</b></p> <p>Uninterrupted and improved ICT systems and services</p> <p>Large and small ICT projects implemented</p> <p>Secure and reliable computing environment for headquarters and ICOs</p>	<ul style="list-style-type: none"> <li>ICT client satisfaction surveys</li> <li>Application systems uptime (&gt;99%)</li> <li>Infrastructure systems uptime (&gt;99%)</li> <li>Corporate systems accessible from ICOs (&gt;90%)</li> <li>Capital budget projects delivered on schedule (&gt;75%)</li> <li>Additional financial and staffing resources made available for large and small projects</li> </ul> <p><b>Verification:</b> ICT strategy; ICT applications portfolio; ITGC<sup>53</sup> quarterly status reports</p>	<ul style="list-style-type: none"> <li>Interactive web-based platform for Member State representatives</li> <li>Upgrade of PeopleSoft financial platform</li> <li>Document production management tool</li> <li>Dashboards for workforce analysis</li> <li>OPTICS<sup>54</sup> for OPV correspondence</li> <li>ICT for regional knowledge networks</li> <li>New ICT strategy and corporate ICT initiatives</li> <li>Knowledge management and web 2.0 methods and tools mainstreamed.</li> <li>IFAD Intranet accessible to ICOs</li> </ul>	<ul style="list-style-type: none"> <li>ICT infrastructure for new loan and grant system (LGS) installed</li> <li>PeopleSoft financial and HR platforms enhanced and migrated to UNICC<sup>55</sup></li> <li>Web content management system for Intranet/Internet</li> <li>ICT communication and collaboration platforms upgraded for ICOs</li> <li>New ICT platform for corporate relationship management</li> <li>Grants/milestone management tool</li> <li>ICT support for regional knowledge networks</li> </ul>	<ul style="list-style-type: none"> <li>Corporate web portal deployed</li> <li>Oracle Fusion tools for HR management</li> <li>PPMS replaced with online tools</li> <li>CIAO<sup>56</sup> replaced with online tools</li> <li>PeopleSoft financial platform upgraded and integrated with loan and grant operations</li> <li>Electronic workflow and full self-service platform – corporate dashboards fully implemented</li> <li>Digital signature implemented</li> </ul>	<table border="1"> <thead> <tr> <th colspan="4">ICT</th> </tr> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Zero Based Budget - \$ mn</b></td> </tr> <tr> <td>Cluster 1</td> <td>0</td> <td>.93</td> <td>.96</td> </tr> <tr> <td>Cluster 3</td> <td>7.09</td> <td>7.18</td> <td>7.40</td> </tr> <tr> <td colspan="4"><b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b></td> </tr> <tr> <td>Professional Staff</td> <td>14.0</td> <td>16</td> <td>18</td> </tr> <tr> <td>General Service Staff</td> <td>13.0</td> <td>13</td> <td>10</td> </tr> <tr> <td>Consultants</td> <td>3.0</td> <td>6.0</td> <td>6.0</td> </tr> </tbody> </table> <p>* Actual workforce across all funding sources. Staff projection is indicative and subject to change as the staffing plan for 2011 is finalised.</p> <p>Cluster 1 – Country programme development and implementation Cluster 3 – Corporate management, reform and administration</p>	ICT					2010 realigned budget	2011 Projection	2012 Estimate	<b>Zero Based Budget - \$ mn</b>				Cluster 1	0	.93	.96	Cluster 3	7.09	7.18	7.40	<b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b>				Professional Staff	14.0	16	18	General Service Staff	13.0	13	10	Consultants	3.0	6.0	6.0	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>Shifting implementation priorities</li> <li>Excessive lead time required for procurement of manpower &amp; other resources</li> <li>Inadequate stakeholder participation, particularly by business owners</li> <li>Ambitious big-bang implementation</li> <li>New, significant developments in technology</li> </ul> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>Approval of SWP</li> <li>Approval of adequate ICT administrative budget</li> <li>Approval of adequate ICT capital budget</li> <li>Compliance with DSS<sup>57</sup> prescribed security policies and criteria</li> <li>Timely approval of projects by local and national governments and collaboration of community</li> <li>Willingness of host government to continue supporting IFAD's operations, notwithstanding own fiscal constraints</li> <li>Ownership and appreciation of initiatives by Senior Management and relevant staff</li> </ul>				
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<sup>53</sup> ITGC: Information Technology Governance Committee.

<sup>54</sup> OPTICS: OPV Tracking Incoming Correspondence System.

<sup>55</sup> UNICC: United National International Computing Centre.

<sup>56</sup> CIAO: Contact Information Available On-Line System.

<sup>57</sup> DSS: United Nations Department of Safety and Security.



**IFAD ENTERPRISE RISK MANAGEMENT, BUSINESS CONTINUITY AND GOVERNANCE OUTCOMES 2010-2012 – CLUSTERS 3 AND 4**

Operational outputs	Measures of success and sources of verification	Work programme projections (Level 5)			Resource inputs 2010-2012	Risks and assumptions																																												
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<p><b>Enterprise risk management (ERM) and mitigation</b></p> <p>Supported by: - OPV</p> <p>Improved enterprise risk management mainstreamed</p>	<ul style="list-style-type: none"> <li>Percentage of high-priority internal audit recommendations overdue</li> <li>Key corporate, departmental and divisional objectives/risks monitored and mitigated</li> </ul> <p><b>Verification:</b> AUO audit reports; AUO annual report; annual ERM report; quarterly conversations on performance and results</p>	<ul style="list-style-type: none"> <li>Annual rolling 3-year MTP</li> <li>Annual ERM reports</li> <li>Implementation of audit recommendations</li> <li>RIDE</li> <li>Consultant performance management systematized</li> </ul>	<ul style="list-style-type: none"> <li>Annual rolling 3-year MTP</li> <li>Annual ERM reports</li> <li>RIDE</li> </ul>	<ul style="list-style-type: none"> <li>Annual rolling 3-year MTP</li> <li>Annual ERM reports</li> <li>RIDE</li> </ul>	<table border="1"> <thead> <tr> <th colspan="4">ERM</th> </tr> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Zero Based Budget - \$ mn</b></td> </tr> <tr> <td>Cluster 3</td> <td>0.00</td> <td>0.075</td> <td>0.075</td> </tr> <tr> <td colspan="4"><b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b></td> </tr> <tr> <td>Professional Staff</td> <td>0</td> <td>0.5</td> <td>0.5</td> </tr> <tr> <td>General Service Staff</td> <td>0</td> <td>0.5</td> <td>0.5</td> </tr> </tbody> </table> <p>* Actual workforce across all funding sources. Staff projection is indicative and subject to change as the staffing plan for 2011 is finalised.</p>	ERM					2010 realigned budget	2011 Projection	2012 Estimate	<b>Zero Based Budget - \$ mn</b>				Cluster 3	0.00	0.075	0.075	<b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b>				Professional Staff	0	0.5	0.5	General Service Staff	0	0.5	0.5	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>Lack of management action on mitigating strategies</li> <li>Corporate risks not prioritized, leading to inconsistent mitigating strategies</li> </ul> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>AUO risk-based annual workplan focuses on areas of key risks for the organization</li> <li>Management practices risk management in daily activities</li> <li>Executive Board and its committees assign high value to risk management strategies</li> </ul>																
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<p><b>Business continuity (BC)</b></p> <p><b>FAD</b> Supported by: - ADM - AUO - CFS - COM - HRD - ICT - OPV - PMD - TRE - SEC</p>	<ul style="list-style-type: none"> <li>Approved policy with governance structure, including nomination of BC manager and establishment of crisis management and response teams</li> <li>Approved business impact analysis</li> <li>Template for emergency and BC plans for functional emergencies</li> <li>Crisis teams trained and staff aware of their roles under BC plans</li> <li>Functional strategies and plans tested, completed and put in place in critical areas: ICT, cash management, facilities, travel, and security</li> <li>AUO to follow up on high-priority recommendations</li> </ul> <p><b>Verification:</b> IFAD business continuity plan; ERMC<sup>58</sup> reports; security risk assessment reports</p>	<ul style="list-style-type: none"> <li>Roadmap for enhanced BC</li> <li>IFAD BC policy and plan</li> <li>BC governance structure</li> <li>BC impact analysis</li> <li>Recovery plans for critical functional areas</li> <li>Staff tracking system</li> <li>BC testing of critical functions</li> <li>Security assessments through DSS peer process</li> <li>ICT infrastructure availability in headquarters and ICOs</li> <li>Offsite hosting of recovery equipment and system</li> </ul>	<ul style="list-style-type: none"> <li>Regular testing of BC plans</li> <li>Additional preventive measures for critical functional areas</li> <li>Alternative SWIFT network and access point</li> <li>Data backup tapes upgraded to online storage management</li> <li>ICT infrastructure availability in headquarters and ICOs</li> <li>UNICC fully set up as IFAD's disaster recovery point</li> </ul>	<ul style="list-style-type: none"> <li>BC plans in place and regular testing of all BC plans</li> <li>Updated BC impact analysis</li> <li>Corporate ICT systems hosted at UNICC, with built-in disaster recovery agreements</li> <li>Secure restore of C:/ drive backup images through the Internet</li> <li>ICT infrastructure availability at headquarters and ICOs</li> </ul> <p>Cluster 3 – Corporate management, reform and administration</p>	<table border="1"> <thead> <tr> <th colspan="4">FAD</th> </tr> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Zero-Based Budget - \$ mn</b></td> </tr> <tr> <td>Cluster 3</td> <td>0.033</td> <td>0.044</td> <td>0.044</td> </tr> <tr> <td colspan="4"><b>Strategic Work Plan (Staff - Fixed Term Equivalent)</b></td> </tr> <tr> <td>Professional Staff</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>General Service Staff</td> <td>1</td> <td>1</td> <td>1</td> </tr> </tbody> </table>	FAD					2010 realigned budget	2011 Projection	2012 Estimate	<b>Zero-Based Budget - \$ mn</b>				Cluster 3	0.033	0.044	0.044	<b>Strategic Work Plan (Staff - Fixed Term Equivalent)</b>				Professional Staff	1	1	1	General Service Staff	1	1	1	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>Insufficient funding for BC plan initiatives</li> </ul> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>Senior Management ownership and commitment</li> <li>Badge reader installation aligned with European safety standards and agreed with landlord</li> <li>Awareness and commitment to PC plan</li> </ul>																
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<p><b>Legal compliance of policies, programmes and projects</b></p> <p><b>LEG:</b></p> <p>Appropriate legal framework for IFAD policies and programmes</p>	<ul style="list-style-type: none"> <li>No. of loan agreements and other project-related legal documents drafted and negotiated (including grants)</li> <li>No. of host country agreements</li> </ul>	<ul style="list-style-type: none"> <li>52 loan and grant agreements</li> <li>42 global and regional grants</li> <li>8 environmental grants</li> <li>Legal agreement for supplementary funding</li> </ul>	<ul style="list-style-type: none"> <li>53 loan and grant agreements</li> <li>45 global and regional grants</li> <li>3 environmental grants</li> <li>Legal agreement for supplementary funding</li> </ul>	<ul style="list-style-type: none"> <li>32 loan and grant agreements</li> <li>40 global and regional grants</li> <li>3 environmental grants</li> <li>Legal agreement for supplementary funding</li> </ul> <p>Cluster 1 – Country programme development and implementation Cluster 2 – High-level policy dialogue, resource mobilization and strategic communication Cluster 3 – Corporate management, reform and administration Cluster 4 – Support to Members' governance activities</p>	<table border="1"> <thead> <tr> <th colspan="4">LEG</th> </tr> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Zero Based Budget - \$ mn</b></td> </tr> <tr> <td>Cluster 1</td> <td>1.17</td> <td>1.40</td> <td>1.54</td> </tr> <tr> <td>Cluster 2</td> <td>0.49</td> <td>0.49</td> <td>0.51</td> </tr> <tr> <td>Cluster 3</td> <td>0.74</td> <td>0.75</td> <td>0.77</td> </tr> <tr> <td>Cluster 4</td> <td>0.26</td> <td>0.26</td> <td>0.27</td> </tr> <tr> <td colspan="4"><b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b></td> </tr> <tr> <td>Professional Staff</td> <td>10.0</td> <td>13.0</td> <td>13.0</td> </tr> <tr> <td>General Service Staff</td> <td>7.75</td> <td>6.75</td> <td>6.0</td> </tr> <tr> <td>Consultants</td> <td>0.8</td> <td>1.0</td> <td>1.0</td> </tr> </tbody> </table> <p>* Actual workforce across all funding sources. Staff projection is indicative and subject to change as the staffing plan for 2011 is finalised.</p>	LEG					2010 realigned budget	2011 Projection	2012 Estimate	<b>Zero Based Budget - \$ mn</b>				Cluster 1	1.17	1.40	1.54	Cluster 2	0.49	0.49	0.51	Cluster 3	0.74	0.75	0.77	Cluster 4	0.26	0.26	0.27	<b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b>				Professional Staff	10.0	13.0	13.0	General Service Staff	7.75	6.75	6.0	Consultants	0.8	1.0	1.0	<p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>Political situation affects loan or grant</li> </ul> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>Country demand for IFAD financing corresponds to planned loans and grants</li> <li>Adequate human resources</li> </ul>
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<sup>58</sup> ERMC: Enterprise Risk Management Committee.

**IFAD ENTERPRISE RISK MANAGEMENT, BUSINESS CONTINUITY AND GOVERNANCE OUTCOMES 2010-2012 – CLUSTERS 3 AND 4 (CONT'D)**

Operational outputs	Measures of success and sources of verification	Work programme projections (Level 5)			Resource inputs 2010-2012				Risks and assumptions																														
		2010	2011	2012	SEC																																		
<b>Support to Members' governance activities</b>  <b>Office of the Secretary (SEC)</b>	<ul style="list-style-type: none"> <li>Smooth functioning of governing body deliberating process</li> <li>Increased engagement by IFAD membership</li> </ul> <p><b>Sources:</b></p> <ul style="list-style-type: none"> <li>Percentage of governing body documents submitted on time to SEC in accordance with procedures</li> <li>No. of words edited and translated</li> <li>No. of hours interpreted</li> <li>Percentage of governing body documents dispatched to governing bodies on time</li> <li>SEC client survey</li> </ul>	<ul style="list-style-type: none"> <li>1 Governing Council session</li> <li>3 Executive Board sessions</li> <li>6 Audit Committee meetings</li> <li>5 Evaluation Committee sessions</li> <li>3 PBAS meetings</li> <li>5 Convenors and Friends meetings</li> </ul>	<ul style="list-style-type: none"> <li>1 Governing Council session</li> <li>3 Executive Board sessions</li> <li>6 Audit Committee meetings</li> <li>6 Evaluation Committee sessions</li> <li>3 PBAS meetings</li> <li>4 Replenishment Consultation sessions</li> <li>5 Emolument Committee meetings</li> <li>7 Convenors and Friends meetings</li> <li>1 Executive Board field visit</li> </ul>	<ul style="list-style-type: none"> <li>1 Governing Council session</li> <li>3 Executive Board sessions</li> <li>6 Audit Committee meetings</li> <li>5 Evaluation Committee sessions</li> <li>3 PBAS meetings</li> <li>5 Convenors and Friends meetings</li> <li>1 Executive Board field visit</li> </ul>	<table border="1"> <thead> <tr> <th></th> <th>2010 realigned budget</th> <th>2011 Projection</th> <th>2012 Estimate</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Zero Based Budget - \$ mn</b></td> </tr> <tr> <td>Cluster 4</td> <td>8.54</td> <td>8.71</td> <td>8.71</td> </tr> <tr> <td colspan="4"><b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b></td> </tr> <tr> <td>Professional Staff</td> <td>15.0</td> <td>18.2</td> <td>20.0</td> </tr> <tr> <td>General Service Staff</td> <td>36.2</td> <td>34.3</td> <td>32.6</td> </tr> <tr> <td>Consultants</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>				2010 realigned budget	2011 Projection	2012 Estimate	<b>Zero Based Budget - \$ mn</b>				Cluster 4	8.54	8.71	8.71	<b>Strategic Work Plan (Staff – Fixed Term Equivalent) *</b>				Professional Staff	15.0	18.2	20.0	General Service Staff	36.2	34.3	32.6	Consultants	-	-	-	<p>* Actual workforce across all funding sources. Staff projection is indicative and subject to change as the staffing plan for 2011 is finalised.</p> <p>Cluster 4 – Support to Members' governance activities</p>			<p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>Adherence to timely submission of governing body documents in accordance with established rules and procedures</li> <li>ICT-based integrated corporate management in place</li> <li>Documents edited and translated and interpretation needs fully identified</li> <li>Web-based interactive platform for Member State representatives in place</li> <li>Full Executive Board awareness of governance costs</li> </ul>
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